A new spatial model for points above a threshold

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1 Introduction

2 Statistical model

Let $Y_t(\mathbf{s}) \in \mathcal{R}$ be the observed value at location **s** on day t. To avoid bias in estimating tail parameters, we model the thresholded data

$$\tilde{Y}_t(\mathbf{s}) = \begin{cases} Y_t(\mathbf{s}) & Y_t(\mathbf{s}) > T \\ T & Y_t(\mathbf{s}) \le T \end{cases} \tag{1}$$

where T is a pre-specified threshold.

We first specify a model for the complete data, $Y_t(\mathbf{s})$, and then study the induced model for thresholded data, $\tilde{Y}_t(\mathbf{s})$. The full data model is given in Section 2.1 assuming a multivariate normal distribution with a different variance each day. Computationally, the values below the threshold are updated using standard Bayesian missing data methods as described in Section 3.

2.1 Complete data

Consider the spatial process

$$Y_t(\mathbf{s}) = X_t(\mathbf{s})\beta + e_t(\mathbf{s}) \tag{2}$$
$$e_t(\mathbf{s}) = \sigma\delta|u_t(\mathbf{s})| + v_t(\mathbf{s}) \tag{3}$$

where $u_t(\mathbf{s}) = u_{tl}$ if $s \in P_{tl}$ where $P_{t1}, \dots, P_{tL}$ form a partition, and $u_{tl} \stackrel{iid}{\sim} N(0, 1)$, $\delta \in (-1, 1)$ controls skew, and $v_t(\mathbf{s})$ is a spatial process with mean zero and variance $\sigma^2(1 - \delta^2)$. Then $Y_t(\mathbf{s})$ is skew normal within each partition (Minozzo and Ferracuti, 2012). We model this with a Bayesian hierarchical model as follows. Let $w_{t1}, \dots, w_{tL}$ be partition centers so that P_{tl} includes all spatial locations **s** that are within the partition. Then

$$Y_t(\mathbf{s}) \mid \Theta = \mu_t(\mathbf{s}) + v_t(\mathbf{s}) \tag{4}$$
$$\mu_t(\mathbf{s}) = X_t(\mathbf{s})\beta + \sigma\delta|u_{tl}| \tag{5}$$

where $l = \arg\min_j ||\mathbf{s} - w_j||$ and $\Theta = \{u_{t1}, \dots, u_{tL}, w_{t1}, \dots, w_{tL}, \beta, \rho, \nu, \sigma\}$ are the random effects, knot locations, and parameters for the mean, and spatial covariance.

3 Computation

The MCMC for this model is fairly straightforward. First, we impute values below the threshold. Then, we update Θ using random walk MH or Gibbs sampling when appropriate. Finally, we make spatial predictions. Each requires the joint distribution for the complete data given Θ. As defined in 4, the distribution of $Y_t(\mathbf{s}) \mid \Theta$ is the usual multivariate normal distribution with a Matérn spatial covariance structure.

3.1 Imputation

We can use Gibbs sampling to update $\tilde{Y}_t(\mathbf{s})$ for observations that are below T, the thresholded value. Given Θ, $Y_t(\mathbf{s})$ has truncated normal full conditional with these parameter values. So we sample $Y_t(\mathbf{s}) \sim \text{TN}_{(-\infty,T)}$

3.2 Parameter updates

To update Θ given the current value of the complete data $\mathbf{Y}_1, \ldots, \mathbf{Y}_T$, we use a standard Metropolis update.

3.3 Spatial prediction

Given $\mathbf{Y}_t$ the usual Kriging equations give the predictive distribution for $Y_t(\mathbf{s}^*)$ at prediction location $(\mathbf{s}^*)$

4 Data analysis

5 Conclusions

Acknowledgments

Appendix A.1: MCMC Details

Priors

For a given day

$$\begin{aligned}
r_j &\overset{iid}{\sim} \text{IG}(\xi_r, \sigma_r) \\
\sigma_r &\sim \text{Gamma}(0.1, 0.1) \\
\xi_r &\sim \text{Discrete Uniform}(0.5, 30) \\
\mathbf{v}_j &\overset{iid}{\sim} \text{Uniform}(\mathcal{D}) \\
\mu(\mathbf{s}) &\sim \text{MVN}(0, \text{diag}(10)) \\
\log(\rho) &\sim \text{N}(0, 10) \\
\log(\nu) &\sim \text{N}(-1, 1) \\
\alpha &\sim \text{Unif}(0, 1)
\end{aligned}$$

where v_j are the locations of the spatial knots over $\mathcal{D}$, α is a parameter controlling the proportion of r_j^2 that is attributed to the nugget and partial sill. If $\alpha = 0$, then r_j^2 can be entirely attributed to the nugget effect, and if $\alpha = 1$, then r_{tj}^2 can be entirely attributed to the partial sill. We use Gibbs sampling for r_j, σ_r, and $\mu(\mathbf{s})$. All other parameters are sampled using a random-walk Metropolis Hastings algorithm.

References

Minozzo, M. and Ferracuti, L. (2012) On the existence of some skew-normal stationary processes. *Chilean Journal of Statistics (ChJS)*, **3**, 157–170. URL`http://chjs.deuv.cl/Vol3N2/ChJS-03-02-04.pdf`.