

CrossValidationPanelData

• Autocorrelation issues: assumption of i.i.d. observations won't hold over time

• The \mathcal{V} method presented will ignore the sequential nature of time



Nested Cross Validation

- a nested loop of cross-validation:
 - ▶ inner loop used for parameter tuning:
K-fold CV is used to pick parameter values
 - ▶ outer loop is used for performance evaluation
another *K*-fold CV used to evaluate model with selected parameters
- The CV methods presented will ignore the sequential nature of time

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