Probability Theory
Lecture 5: Multivariate Normal Distribution

Hector Rodriguez-Deniz

STIMA, IDA
Linköping University

Overview Lecture 5

- Linear algebra recap
- Multivariate normal distribution

Positive-(semi)definiteness

- **Quadratic form**
$$Q(\mathrm{x}) = \mathrm{x}'\mathrm{A}\mathrm{x}$$
- A is **positive-definite** if $Q(\mathrm{x}) > 0$ for all $\mathrm{x} \neq 0$.
- A is **positive-semidefinite** if $Q(\mathrm{x}) \geq 0$ for all x.
- A is **positive-definite** iff all eigenvalues of A are positive.
- A is **positive-semidefinite** iff all eigenvalues of A are non-negative.

Eigen-decomposition

- **Eigen-decomposition** of an $n \times n$ symmetric matrix A

$$\text{C'AC} = \text{D}$$

  where $\text{D} = \mathit{Diag}(\lambda_1, ..., \lambda_n)$ and C is an orthogonal matrix.
- **Orthogonal matrix**:
  - $\text{C}'\text{C} = \text{I}$
  - $\text{C}^{-1} = \text{C}'$
  - $\det \text{C} = \pm 1$
- The columns of $\text{C} = (\text{c}_1, ..., \text{c}_n)$ are the eigenvectors, and λ_i is the ith largest eigenvalue.
- $\det \text{A} = \lambda_1 \cdot \lambda_2 \cdots \lambda_n$.

Matrix square root

- If $D = diag(\lambda_1, ..., \lambda_n)$ is diagonal, then $\tilde{D} = diag(\sqrt{\lambda_1}, ..., \sqrt{\lambda_n})$ is the square root of D:
$$\tilde{D}\tilde{D} = D$$
and we can write $D^{1/2} = \tilde{D}$.
- The **square root of a positive definite matrix** A
$$A = CDC'$$
can be defined as
$$\boxed{A^{1/2} = C\tilde{D}C'}$$
where $\tilde{D} = diag(\sqrt{\lambda_1}, ..., \sqrt{\lambda_n})$.
- Check:
$$A^{1/2}A^{1/2} = C\tilde{D}C'C\tilde{D}C' = C\tilde{D}\tilde{D}C' = CDC' = A$$
- We also have
$$\left(A^{-1}\right)^{1/2} = \left(A^{1/2}\right)^{-1}$$
which is denoted by $A^{-1/2}$.

Covariance matrix

- Mean vector

$$\mu = \mathrm{E}\mathsf{X} = \begin{pmatrix} EX_1 \\ \vdots \\ EX_n \end{pmatrix}$$

- Covariance matrix

$$\Lambda = Cov(\mathsf{X}) = E(\mathsf{X} - \mu)(\mathsf{X} - \mu)'$$

TH Every covariance matrix is positive semidefinite.

- $\det \Lambda \geq 0$.

Linear transformations

- Recall that if $Y = aX + b$, where $E(X) = \mu$ and $Var(X) = \sigma^2$ then

$$E(Y) = a\mu + b$$
$$Var(Y) = a^2\sigma^2$$

多变量线性变换公式

TH Multivariate linear transformation

Let $\mathrm{Y} = \mathrm{BX} + \mathrm{b}$, where X is $n \times 1$ and B is $m \times n$.
Assume $E\mathrm{X} = \mu$ and $Cov(\mathrm{X}) = \Lambda$. Then,

$$E(\mathrm{Y}) = \mathrm{B}\mu + \mathrm{b}$$
$$Cov(\mathrm{Y}) = \mathrm{B}\Lambda\mathrm{B}'$$

Multivariate normal distribution

- Multivariate normal $\mathbf{X} \sim N(\mu, \Lambda)$, where $\mathbf{X}$ is a $n \times 1$ random vector.
- Three equivalent definitions:
  - $\mathbf{X}$ is (multivariate) normal iff $\mathbf{a}'\mathbf{X}$ is (univariate) normal for all $\mathbf{a} \neq 0$.
  - $\mathbf{X}$ is multivariate normal iff its characteristic function is

$$\varphi_{\mathbf{X}}(\mathbf{t}) = Ee^{i\mathbf{t}'\mathbf{X}} = \exp\left(i\mathbf{t}'\mu - \frac{1}{2}\mathbf{t}'\Lambda\mathbf{t}\right)$$

  - $\mathbf{X}$ is multivariate normal iff its density function is of the form

$$f_{\mathbf{X}}(\mathbf{x}) = \left(\frac{1}{2\pi}\right)^{n/2} \frac{1}{\sqrt{\det \Lambda}} \exp\left\{-\frac{1}{2}(\mathbf{x}-\mu)'\Lambda^{-1}(\mathbf{x}-\mu)\right\}$$

- **Bivariate normal** $(n = 2)$

$$\Lambda = \begin{pmatrix} \sigma_1^2 & \rho\sigma_1\sigma_2 \\ \rho\sigma_1\sigma_2 & \sigma_2^2 \end{pmatrix}$$

where $-1 < \rho < 1$ is the correlation coefficient.

Properties

- Let $\mathrm{X} \sim N(\mu, \Lambda)$.

Th Linear combinations: $\mathrm{Y} = \mathrm{BX} + \mathrm{b}$, where X is $n \times 1$ and B is $m \times n$. Then

$$\mathrm{Y} \sim N(\mathrm{B}\mu + \mathrm{b}, \mathrm{B}\Lambda\mathrm{B}')$$

这个也是做题的关键

Cor The components of X are all normal $(\mathrm{B} = (0, \ldots 1, 0, \ldots, 0))$

$$Y_i \sim N(\mu_i, \Lambda_{ii})$$

Cor Let $\mathrm{X} = \begin{pmatrix} \mathrm{X}_1 \\ \mathrm{X}_2 \end{pmatrix}$ where X_1 is $n_1 \times 1$ and X_2 is $n_2 \times 1$ $(n_1 + n_2 = n)$. Then

$$\mathrm{X}_1 \sim N(\mu_1, \Lambda_1)$$

where μ_1 are the n_1 first elements of μ and Λ_1 is the $n_1 \times n_1$ submatrix of Λ.

PROPERTIES

COR $\mathsf{X} \sim N(\mu, \Lambda)$ implies that all marginals are normal.

- The converse does not hold. Normal marginals does not imply that the joint distribution is normal.

TH Let $\mathsf{X} = (X_1, ..., X_n)'$ where $X_1, ..., X_n \overset{iid}{\sim} N(0, 1)$. Then

$$\mathsf{Y} = \mu + \Lambda^{1/2}\mathsf{X} \sim N(\mu, \Lambda)$$

for $\Lambda^{1/2}$ so that $\Lambda^{1/2} \cdot \Lambda^{1/2} = \Lambda$.

Conditional distributions from $N(\mu, \Lambda)$

- Let $\begin{pmatrix} X \\ Y \end{pmatrix} \sim N_2(\mu, \Lambda)$, where

$$\mu = \begin{pmatrix} \mu_x \\ \mu_y \end{pmatrix} \quad \text{and} \quad \Lambda = \begin{pmatrix} \sigma_x^2 & \rho\sigma_x\sigma_y \\ \rho\sigma_x\sigma_y & \sigma_y^2 \end{pmatrix}$$

- Then

$$Y|X = x \sim N\left[\mu_y + \rho\frac{\sigma_y}{\sigma_x}(x - \mu_x),\ \sigma_y^2(1-\rho^2)\right]$$

- The **regression function** $E(Y|X)$ is **linear** and $Var(Y|X)$ =residual variance.

TH Let $\mathrm{X} = \begin{pmatrix} \mathrm{X}_1 \\ \mathrm{X}_2 \end{pmatrix}$ and partition μ and Λ accordingly as

$$\mu = \begin{pmatrix} \mu_1 \\ \mu_2 \end{pmatrix} \text{ and } \Lambda = \begin{pmatrix} \Lambda_{11} & \Lambda_{12} \\ \Lambda_{21} & \Lambda_{22} \end{pmatrix}. \text{ Then}$$

$$\mathrm{X}_1|\mathrm{X}_2 = \mathrm{x}_2 \sim N\left[\mu_1 + \Lambda_{12}\Lambda_{22}^{-1}(x_2 - \mu_2),\ \Lambda_{11} - \Lambda_{12}\Lambda_{22}^{-1}\Lambda_{21}\right]$$

Independence and normality

- Correlation measures **linear** association (dependence).
- In general: Uncorrelated $\nrightarrow$ Independence.
- In the normal distribution: Uncorrelated $\leftrightarrow$ Independence.
- Remember that: X and Y are jointly normal $\rightarrow$ the regression function is linear $\rightarrow$the linear predictor is optimal.
- $X_1, ..., X_n \stackrel{iid}{\sim} N(\mu, \sigma^2)$, then $\bar{X}_n = \frac{1}{n}\sum_{i=1}^{n} X_i$ and $s^2 = \frac{1}{n-1}\sum_{i=1}^{n}(X_i - \bar{X}_n)^2$ are independent.

Thank you for your attention!