Title

corrgram — Tabulate and graph autocorrelations

Syntax

Autocorrelations, partial autocorrelations, and portmanteau (Q) statistics

`corrgram` *varname* [*if*] [*in*] [`,` *corrgram_options*]

Graph autocorrelations with confidence intervals

`ac` *varname* [*if*] [*in*] [`,` *ac_options*]

Graph partial autocorrelations with confidence intervals

`pac` *varname* [*if*] [*in*] [`,` *pac_options*]

corrgram_options	Description
Main	
`lags(#)`	calculate # autocorrelations
`noplot`	suppress character-based plots
`yw`	calculate partial autocorrelations by using Yule–Walker equations

ac_options	Description
Main	
`lags(#)`	calculate # autocorrelations
`generate(`*newvar*`)`	generate a variable to hold the autocorrelations
`level(#)`	set confidence level; default is `level(95)`
`fft`	calculate autocorrelation by using Fourier transforms
Plot	
line_options	change look of dropped lines
marker_options	change look of markers (color, size, etc.)
marker_label_options	add marker labels; change look or position
CI plot	
`ciopts(`*area_options*`)`	affect rendition of the confidence bands
Add plots	
`addplot(`*plot*`)`	add other plots to the generated graph
Y axis, X axis, Titles, Legend, Overall	
twoway_options	any options other than `by()` documented in [G-3] ***twoway_options***

pac_options	Description
Main	
`lags(#)`	calculate # partial autocorrelations
`generate(`*newvar*`)`	generate a variable to hold the partial autocorrelations
`yw`	calculate partial autocorrelations by using Yule–Walker equations
`level(#)`	set confidence level; default is `level(95)`
Plot	
line_options	change look of dropped lines
marker_options	change look of markers (color, size, etc.)
marker_label_options	add marker labels; change look or position
CI plot	
`ciopts(`*area_options*`)`	affect rendition of the confidence bands
SRV plot	
`srv`	include standardized residual variances in graph
`srvopts(`*marker_options*`)`	affect rendition of the plotted standardized residual variances (SRVs)
Add plots	
`addplot(`*plot*`)`	add other plots to the generated graph
Y axis, X axis, Titles, Legend, Overall	
twoway_options	any options other than `by()` documented in [G-3] ***twoway_options***

You must `tsset` your data before using `corrgram`, `ac`, or `pac`; see [TS] **tsset**. Also, the time series must be dense (nonmissing and no gaps in the time variable) in the sample if you specify the `fft` option.
varname may contain time-series operators; see [U] **11.4.4 Time-series varlists**.

Menu

corrgram

Statistics > Time series > Graphs > Autocorrelations & partial autocorrelations

ac

Statistics > Time series > Graphs > Correlogram (ac)

pac

Statistics > Time series > Graphs > Partial correlogram (pac)

Description

`corrgram` produces a table of the autocorrelations, partial autocorrelations, and portmanteau (Q) statistics. It also displays a character-based plot of the autocorrelations and partial autocorrelations. See [TS] **wntestq** for more information on the Q statistic.

`ac` produces a correlogram (a graph of autocorrelations) with pointwise confidence intervals that is based on Bartlett's formula for MA(q) processes.

pac produces a partial correlogram (a graph of partial autocorrelations) with confidence intervals calculated using a standard error of $1/\sqrt{n}$. The residual variances for each lag may optionally be included on the graph.

Options for corrgram

Main

lags(#) specifies the number of autocorrelations to calculate. The default is to use min($\lfloor n/2 \rfloor - 2, 40$), where $\lfloor n/2 \rfloor$ is the greatest integer less than or equal to $n/2$.

noplot prevents the character-based plots from being in the listed table of autocorrelations and partial autocorrelations.

yw specifies that the partial autocorrelations be calculated using the Yule–Walker equations instead of using the default regression-based technique. yw cannot be used if srv is used.

Options for ac and pac

Main

lags(#) specifies the number of autocorrelations to calculate. The default is to use min($\lfloor n/2 \rfloor - 2, 40$), where $\lfloor n/2 \rfloor$ is the greatest integer less than or equal to $n/2$.

generate(*newvar*) specifies a new variable to contain the autocorrelation (ac command) or partial autocorrelation (pac command) values. This option is required if the nograph option is used.

nograph (implied when using generate() in the dialog box) prevents ac and pac from constructing a graph. This option requires the generate() option.

yw (pac only) specifies that the partial autocorrelations be calculated using the Yule–Walker equations instead of using the default regression-based technique. yw cannot be used if srv is used.

level(#) specifies the confidence level, as a percentage, for the confidence bands in the ac or pac graph. The default is level(95) or as set by set level; see [R] **level**.

fft (ac only) specifies that the autocorrelations be calculated using two Fourier transforms. This technique can be faster than simply iterating over the requested number of lags.

Plot

line_options, *marker_options*, and *marker_label_options* affect the rendition of the plotted autocorrelations (with ac) or partial autocorrelations (with pac).

line_options specify the look of the dropped lines, including pattern, width, and color; see [G-3] ***line_options***.

marker_options specify the look of markers. This look includes the marker symbol, the marker size, and its color and outline; see [G-3] ***marker_options***.

marker_label_options specify if and how the markers are to be labeled; see [G-3] ***marker_label_options***.

CI plot

ciopts(*area_options*) affects the rendition of the confidence bands; see [G-3] ***area_options***.

SRV plot

`srv` (`pac` only) specifies that the standardized residual variances be plotted with the partial autocorrelations. `srv` cannot be used if `yw` is used.

`srvopts(`*marker_options*`)` (`pac` only) affects the rendition of the plotted standardized residual variances; see [G-3] ***marker_options***. This option implies the `srv` option.

Add plots

`addplot(`*plot*`)` adds specified plots to the generated graph; see [G-3] ***addplot_option***.

Y axis, X axis, Titles, Legend, Overall

twoway_options are any of the options documented in [G-3] ***twoway_options***, excluding `by()`. These include options for titling the graph (see [G-3] ***title_options***) and for saving the graph to disk (see [G-3] ***saving_option***).

Remarks

`corrgram` tabulates autocorrelations, partial autocorrelations, and portmanteau (Q) statistics and plots the autocorrelations and partial autocorrelations. The Q statistics are the same as those produced by [TS] **wntestq**. `ac` produces graphs of the autocorrelations, and `pac` produces graphs of the partial autocorrelations.

▷ Example 1

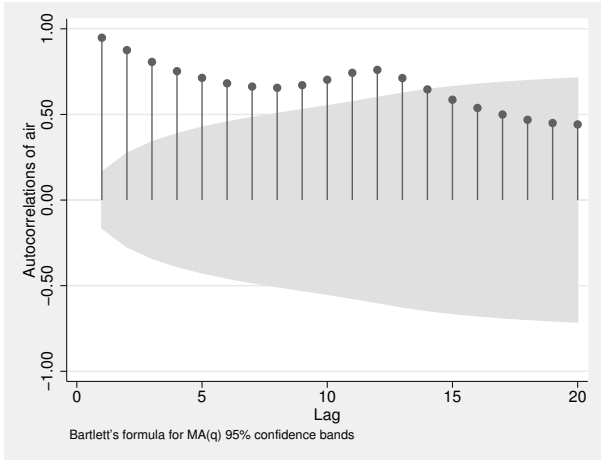
Here we use the international airline passengers dataset (Box, Jenkins, and Reinsel 2008, Series G). This dataset has 144 observations on the monthly number of international airline passengers from 1949 through 1960. We can list the autocorrelations and partial autocorrelations by using `corrgram`.

```
. use http://www.stata-press.com/data/r12/air2
(TIMESLAB: Airline passengers)
. corrgram air, lags(20)
```

LAG	AC	PAC	Q	Prob>Q	[Autocorrelation] -1 0 1	[Partial Autocor] -1 0 1
1	0.9480	0.9589	132.14	0.0000		
2	0.8756	-0.3298	245.65	0.0000		
3	0.8067	0.2018	342.67	0.0000		
4	0.7526	0.1450	427.74	0.0000		
5	0.7138	0.2585	504.8	0.0000		
6	0.6817	-0.0269	575.6	0.0000		
7	0.6629	0.2043	643.04	0.0000		
8	0.6556	0.1561	709.48	0.0000		
9	0.6709	0.5686	779.59	0.0000		
10	0.7027	0.2926	857.07	0.0000		
11	0.7432	0.8402	944.39	0.0000		
12	0.7604	0.6127	1036.5	0.0000		
13	0.7127	-0.6660	1118	0.0000		
14	0.6463	-0.3846	1185.6	0.0000		
15	0.5859	0.0787	1241.5	0.0000		
16	0.5380	-0.0266	1289	0.0000		
17	0.4997	-0.0581	1330.4	0.0000		
18	0.4687	-0.0435	1367	0.0000		
19	0.4499	0.2773	1401.1	0.0000		
20	0.4416	-0.0405	1434.1	0.0000		

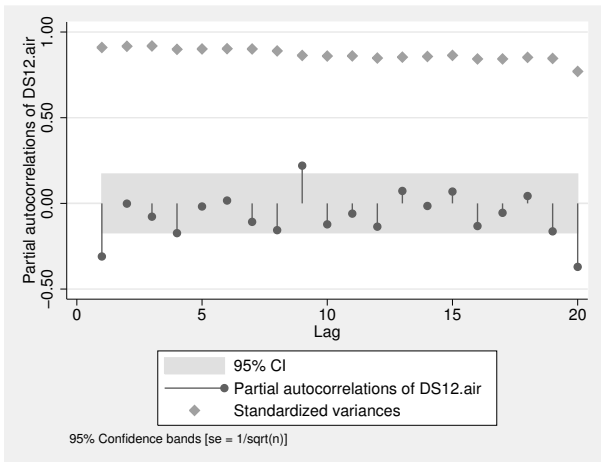
We can use `ac` to produce a graph of the autocorrelations.

```
. ac air, lags(20)
```



The data probably have a trend component as well as a seasonal component. First-differencing will mitigate the effects of the trend, and seasonal differencing will help control for seasonality. To accomplish this goal, we can use Stata's time-series operators. Here we graph the partial autocorrelations after controlling for trends and seasonality. We also use `srv` to include the standardized residual variances.

```
. pac DS12.air, lags(20) srv
```



See [U] **11.4.4 Time-series varlists** for more information about time-series operators.

◁

Saved results

corrgram saves the following in r():

Scalars

r(lags)	number of lags
r(ac#)	AC for lag #
r(pac#)	PAC for lag #
r(q#)	Q for lag #

Matrices

r(AC)	vector of autocorrelations
r(PAC)	vector of partial autocorrelations
r(Q)	vector of Q statistics

Methods and formulas

corrgram, ac, and pac are implemented as ado-files.

Box, Jenkins, and Reinsel (2008, sec. 2.1.4); Newton (1988); Chatfield (2004); and Hamilton (1994) provide excellent descriptions of correlograms. Newton (1988) also discusses the calculation of the various quantities.

The autocovariance function for a time series $x_1, x_2, \ldots, x_n$ is defined for $|v| < n$ as

$$\widehat{R}(v) = \frac{1}{n} \sum_{i=1}^{n-|v|} (x_i - \overline{x})(x_{i+v} - \overline{x})$$

where $\overline{x}$ is the sample mean, and the autocorrelation function is then defined as

$$\widehat{\rho}_v = \frac{\widehat{R}(v)}{\widehat{R}(0)}$$

The variance of $\widehat{\rho}_v$ is given by Bartlett's formula for MA(q) processes. From Brockwell and Davis (2002, 94), we have

$$\mathrm{Var}(\widehat{\rho}_v) = \begin{cases} 1/n & v = 1 \\ \frac{1}{n}\left\{1 + 2\sum_{i=1}^{v-1} \widehat{\rho}^2(i)\right\} & v > 1 \end{cases}$$

The partial autocorrelation at lag v measures the correlation between x_t and x_{t+v} after the effects of $x_{t+1}, \ldots, x_{t+v-1}$ have been removed. By default, corrgram and pac use a regression-based method to estimate it. We run an OLS regression of x_t on $x_{t-1}, \ldots, x_{t-v}$ and a constant term. The estimated coefficient on x_{t-v} is our estimate of the vth partial autocorrelation. The residual variance is the estimated variance of that regression, which we then standardize by dividing by $\widehat{R}(0)$.

If the yw option is specified, corrgram and pac use the Yule–Walker equations to estimate the partial autocorrelations. Per Enders (2010, 66–67), let ϕ_{vv} denote the vth partial autocorrelation coefficient. We then have

$$\widehat{\phi}_{11} = \widehat{\rho}_1$$

and for $v > 1$

$$\widehat{\phi}_{vv} = \frac{\widehat{\rho}_v - \sum_{j=1}^{v-1} \widehat{\phi}_{v-1,j}\widehat{\rho}_{v-j}}{1 - \sum_{j=1}^{v-1} \widehat{\phi}_{v-1,j}\widehat{\rho}_j}$$

and

$$\widehat{\phi}_{vj} = \widehat{\phi}_{v-1,j} - \widehat{\phi}_{vv}\widehat{\phi}_{v-1,v-j} \qquad j = 1, 2, \ldots, v-1$$

Unlike the regression-based method, the Yule–Walker equations-based method ensures that the first-sample partial autocorrelation equal the first-sample autocorrelation coefficient, as must be true in the population; see Greene (2008, 725).

McCullough (1998) discusses other methods of estimating ϕ_{vv}; he finds that relative to other methods, such as linear regression, the Yule–Walker equations-based method performs poorly, in part because it is susceptible to numerical error. Box, Jenkins, and Reinsel (2008, 69) also caution against using the Yule–Walker equations-based method, especially with data that are nearly nonstationary.

Acknowledgment

The `ac` and `pac` commands are based on the `ac` and `pac` commands written by Sean Becketti (1992), a past editor of the *Stata Technical Bulletin*.

References

Becketti, S. 1992. sts1: Autocorrelation and partial autocorrelation graphs. *Stata Technical Bulletin* 5: 27–28. Reprinted in *Stata Technical Bulletin Reprints*, vol. 1, pp. 221–223. College Station, TX: Stata Press.

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Chatfield, C. 2004. *The Analysis of Time Series: An Introduction*. 6th ed. Boca Raton, FL: Chapman & Hall/CRC.

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Also see

[TS] **tsset** — Declare data to be time-series data

[TS] **wntestq** — Portmanteau (Q) test for white noise

[TS] **pergram** — Periodogram