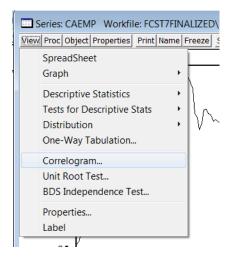
## Computer Handout 8: Characterizing cycles Diego Escobari Econ 3342

This Computer Handout 8 will show how to use the correlogram of residuals.

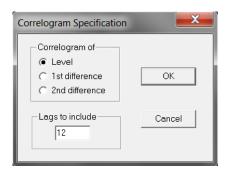
The following is the graph of the Canadian Employment Index:



The correlogram of residuals is obtained by clicking on "View" then "Correlogram"



Then the "Level" and "12" lags to be included:



## This yields the following correlogram of residuals:

## Correlogram of CAEMP Date: 10/14/10 Time: 22:15 Sample: 1962Q1 1993Q4 Included observations: 128 AC PAC Autocorrelation Partial Correlation Q-Stat Prob 1 0.949 0.949 118.05 0.000 2 0.877 -0.244 219.60 0.000 1 3 0.795 -0.100 303.65 0.000 10 1 4 0.707 -0.070 370.75 0.000 5 0.594 -0.312 418.50 0.000 6 0.483 0.051 450.32 0.000 0.361 -0.213 468.24 0.000 8 0.254 0.136 477.20 0.000 0.176 0.272 481.53 0.000 1 | 1 🛮 1 10 0.114 -0.079 483.36 0.000 1 11 0.069 0.224 484.03 0.000 12 0.033 -0.192 484.19 0.000