

Table 6.2 Regressions of a series on m independent "explanatory" series

| | Percent times H_0 rejected ^a | Average Durbin-Watson d | Average \bar{R}^2 | Percent $\bar{R}^2 > 0.7$ |
|-----------------|--|------------------------------|------------------------|------------------------------|
| Random walks | | | | |
| Levels $m = 1$ | 76 | 0.32 | 0.26 | 5 |
| $m = 2$ | 78 | 0.46 | 0.34 | 8 |
| $m = 3$ | 93 | 0.55 | 0.46 | 25 |
| $m = 4$ | 95 | 0.74 | 0.55 | 34 |
| $m = 5$ | 96 | 0.88 | 0.59 | 37 |
| Changes $m = 1$ | 8 | 2.00 | 0.004 | 0 |
| $m = 2$ | 4 | 1.99 | 0.001 | 0 |
| $m = 3$ | 2 | 1.91 | -0.007 | 0 |
| $m = 4$ | 10 | 2.01 | 0.006 | 0 |
| $m = 5$ | 6 | 1.99 | 0.012 | 0 |
| IMA(1, 1) | | | | |
| Levels $m = 1$ | 64 | 0.73 | 0.20 | 3 |
| $m = 2$ | 81 | 0.96 | 0.30 | 7 |
| $m = 3$ | 82 | 1.09 | 0.37 | 11 |
| $m = 4$ | 90 | 1.14 | 0.44 | 9 |
| $m = 5$ | 90 | 1.26 | 0.45 | 19 |
| Changes $m = 1$ | 8 | 2.58 | 0.003 | 0 |
| $m = 2$ | 12 | 2.57 | 0.01 | 0 |
| $m = 3$ | 7 | 2.53 | 0.005 | 0 |
| $m = 4$ | 9 | 2.53 | 0.025 | 0 |
| $m = 5$ | 13 | 2.54 | 0.027 | 0 |

^a Overall F test, based on \bar{R}^2 , at 5% level.