

Date of the event:

On Thursday 8th April 2010
From 01:00 PM to 2:00 PM

Location:

Luxembourg School of Finance
University of Luxembourg
4 Rue Albert Borschette
2nd Floor
Modigliani Miller Auditorium (E02-003)
L-1246 Luxembourg

Registrations:

- Free seminar (with lunch included)
- Registrations by email before April 6th, 2010
- At the following address : lsf-events@uni.lu

Information:

Ms Caroline Herfroy
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Conferences/Seminars-Workshops>



The LSF is pleased to invite you to the following
lunch seminar:

Spurious Correlations for Stationary Ar(1) Processes

By Professor Christos Agiakloglou
University of Piraeus, Greece

Thursday 8th April 2010
From 01:00 PM to 2:00 PM



Spurious Correlations for Stationary Ar(1) Processes

By Christos Agiakloglou

The **Luxembourg School of Finance**

Is pleased to invite you to the

LSF Seminar

Spurious correlations occur when two independent time series are found to be correlated according to the typical statistical procedure of testing the null hypothesis of zero correlation in the population. This study, using a Monte Carlo analysis, examines the spurious correlation phenomenon for two independent stationary AR(1) processes and it finds that the source of this behavior is in the distribution of the relevant t statistic.

However, using the variance of the sample correlation coefficient of two independent stationary AR(1) processes, suggested by Bartlett (1935), this study finds no evidence of spurious correlations for moderate and large sample sizes.