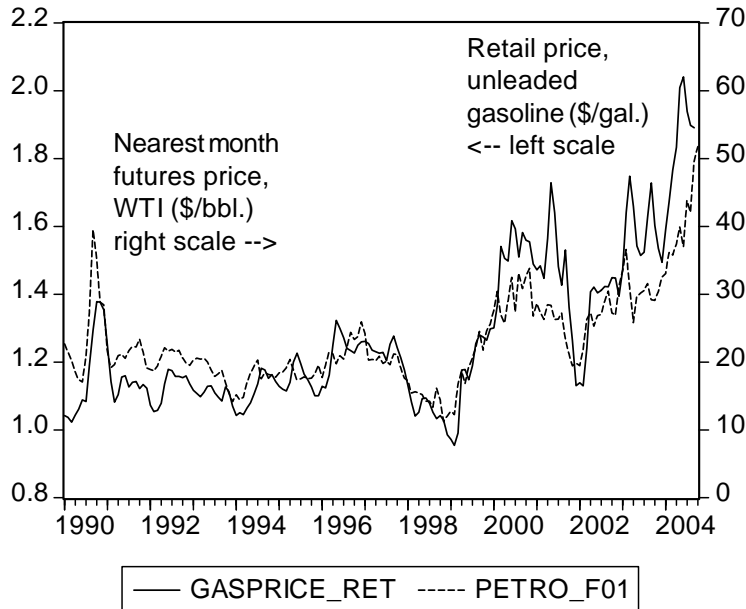


**Example of Simple Regression Application:  
 Oil and Gasoline Prices**



**Figure 1:** Average of weekly regular gasoline prices, in dollars per gallon; and nearest month futures price per barrel of West Texas Intermediate. **Source:** Bloomberg and DOE Energy Information Administration, <http://www.eia.doe.gov/>.

Dependent Variable: GASPRICE\_RET  
 Method: Least Squares  
 Date: 12/06/04 Time: 10:44  
 Sample (adjusted): 1990:08 2004:09  
 Included observations: 170 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.592698	0.028572	20.74403	0.0000
PETRO_F01	0.029864	0.001187	25.15313	0.0000
R-squared	0.790178	Mean dependent var		1.283153
Adjusted R-squared	0.788929	S.D. dependent var		0.224994
S.E. of regression	0.103368	Akaike info criterion		-1.689355
Sum squared resid	1.795056	Schwarz criterion		-1.652464
Log likelihood	145.5952	F-statistic		632.6800
Durbin-Watson stat	0.716663	Prob(F-statistic)		0.000000

[OVER]

GASPRICE\_RET vs. PETRO\_F01

