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

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.592698</td>
<td>0.028572</td>
<td>20.74403</td>
<td>0.0000</td>
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<tr>
<td>PETRO_F01</td>
<td>0.029864</td>
<td>0.001187</td>
<td>25.15313</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

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