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Edited by David Barber, A. Taylan Cemgil and Silvia Chiappa
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BAYESIAN TIME SERIES MODELS

‘What’s going to happen next?’ Time series data hold the answers, and Bayesian methods represent the cutting edge in learning what they have to say. This ambitious book is the first unified treatment of the emerging knowledge-base in Bayesian time series techniques. Exploiting the unifying framework of probabilistic graphical models, the book covers approximation schemes, both Monte Carlo and deterministic, and introduces switching, multi-object, nonparametric and agent-based models in a variety of application environments. It demonstrates that the basic framework supports the rapid creation of models tailored to specific applications and gives insight into the computational complexity of their implementation.

The authors span traditional disciplines such as statistics and engineering and the more recently established areas of machine learning and pattern recognition. Readers with a basic understanding of applied probability, but no experience with time series analysis, are guided from fundamental concepts to the state of the art in research and practice.

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Contents

<i>List of contributors</i>	page x
<i>Preface</i>	xi
1 Inference and estimation in probabilistic time series models. <i>David Barber, A. Taylan Cemgil and Silvia Chiappa.</i>	1
1.1 Time series	1
1.2 Markov models	3
1.3 Latent Markov models	6
1.4 Inference in latent Markov models	10
1.5 Deterministic approximate inference	15
1.6 Monte Carlo inference	21
1.7 Discussion and summary	29
I Monte Carlo	
2 Adaptive Markov chain Monte Carlo: theory and methods. <i>Yves Atchadé, Gersende Fort, Eric Moulines and Pierre Priouret.</i>	32
2.1 Introduction	32
2.2 Adaptive MCMC algorithms	34
2.3 Convergence of the marginal distribution	43
2.4 Strong law of large numbers	44
2.5 Convergence of the equi-energy sampler	46
2.6 Conclusion	47
2.A Appendix: Proof of Section 2.5	47
3 Auxiliary particle filtering: recent developments. <i>Nick Whiteley and Adam M. Johansen.</i>	52
3.1 Background	52
3.2 Interpretation and implementation	56
3.3 Applications and extensions	63
3.4 Further stratifying the APF	69
3.5 Conclusions	79
4 Monte Carlo probabilistic inference for diffusion processes: a methodological framework. <i>Omiros Papaspiliopoulos.</i>	82
4.1 Introduction	82
4.2 Random weight continuous–discrete particle filtering	84
4.3 Transition density representation for a class of diffusions	87

4.4	Exact simulation of diffusions	88
4.5	Exact simulation of killed Brownian motion	90
4.6	Unbiased estimation of the transition density using series expansions	92
4.7	Discussion and directions	99
II Deterministic approximations		
5	Two problems with variational expectation maximisation for time series models. <i>Richard Eric Turner and Maneesh Sahani.</i>	104
5.1	Introduction	104
5.2	The variational approach	104
5.3	Compactness of variational approximations	109
5.4	Variational approximations are biased	112
5.5	Conclusion	123
6	Approximate inference for continuous-time Markov processes. <i>Cédric Archambeau and Manfred Opper.</i>	125
6.1	Introduction	125
6.2	Partly observed diffusion processes	126
6.3	Hidden Markov characterisation	127
6.4	The variational approximation	129
6.5	The Gaussian variational approximation	133
6.6	Diffusions with multiplicative noise	137
6.7	Parameter inference	137
6.8	Discussion and outlook	138
7	Expectation propagation and generalised EP methods for inference in switching linear dynamical systems. <i>Onno Zoeter and Tom Heskes.</i>	141
7.1	Introduction	141
7.2	Notation and problem description	142
7.3	Assumed density filtering	143
7.4	Expectation propagation	145
7.5	Free-energy minimisation	148
7.6	Generalised expectation propagation	150
7.7	Alternative backward passes	153
7.8	Experiments	155
7.9	Discussion	159
7.A	Appendix: Operations on conditional Gaussian potentials	160
7.B	Appendix: Proof of Theorem 7.1	163
8	Approximate inference in switching linear dynamical systems using Gaussian mixtures. <i>David Barber.</i>	166
8.1	Introduction	166
8.2	The switching linear dynamical system	166
8.3	Gaussian sum filtering	168
8.4	Expectation correction	172
8.5	Demonstration: traffic flow	176
8.6	Comparison of smoothing techniques	177
8.7	Summary	180

III Switching models

9 Physiological monitoring with factorial switching linear dynamical systems. <i>John A. Quinn and Christopher K.I. Williams.</i>	182
9.1 Introduction	182
9.2 Model	184
9.3 Novel conditions	186
9.4 Parameter estimation	188
9.5 Inference	194
9.6 Experiments	197
9.7 Summary	203
10 Analysis of changepoint models. <i>Idris A. Eckley, Paul Fearnhead and Rebecca Killick.</i>	205
10.1 Introduction	205
10.2 Single changepoint models	207
10.3 Multiple changepoint models	210
10.4 Comparison of methods	215
10.5 Conclusion	221
10.A Appendix: segment parameter estimation	222

IV Multi-object models

11 Approximate likelihood estimation of static parameters in multi-target models. <i>Sumeetpal S. Singh, Nick Whiteley and Simon J. Godsill.</i>	225
11.1 Introduction	225
11.2 The multi-target model	228
11.3 A review of the PHD filter	228
11.4 Approximating the marginal likelihood	232
11.5 SMC approximation of the PHD filter and its gradient	233
11.6 Parameter estimation	238
11.7 Simulation study	239
11.8 Conclusion	243
12 Sequential inference for dynamically evolving groups of objects. <i>Sze Kim Pang, Simon J. Godsill, Jack Li, François Septier and Simon Hill.</i>	245
12.1 Introduction	245
12.2 MCMC-particles algorithm	246
12.3 Group tracking	258
12.4 Ground target tracking	259
12.5 Group stock selection	268
12.6 Conclusions	273
12.A Appendix: Base group representation	275
13 Non-commutative harmonic analysis in multi-object tracking. <i>Risi Kondor.</i>	277
13.1 Introduction	277
13.2 Harmonic analysis on finite groups	278
13.3 Band-limited approximations	282

13.4	A hidden Markov model in Fourier space	282
13.5	Approximations in terms of marginals	288
13.6	Efficient computation	290
13.7	Conclusions	293
V Nonparametric models		
14	Markov chain Monte Carlo algorithms for Gaussian processes. <i>Michalis K. Titsias, Magnus Rattray and Neil D. Lawrence.</i>	295
14.1	Introduction	295
14.2	Gaussian process models	297
14.3	Non-Gaussian likelihoods and deterministic methods	299
14.4	Sampling algorithms for Gaussian process models	300
14.5	Related work and other sampling schemes	307
14.6	Demonstration on regression and classification	308
14.7	Transcriptional regulation	309
14.8	Dealing with large datasets	312
14.9	Discussion	314
15	Nonparametric hidden Markov models. <i>Jurgen Van Gael and Zoubin Ghahramani.</i>	317
15.1	Introduction	317
15.2	From HMMs to Bayesian HMMs	319
15.3	The infinite hidden Markov model	321
15.4	Inference	327
15.5	Example: unsupervised part-of-speech tagging	332
15.6	Beyond the iHMM	334
15.7	Conclusions	337
15.A	Appendix: Equivalence of the hierarchical Polya urn and hierarchical Dirichlet process	338
16	Bayesian Gaussian process models for multi-sensor time series prediction. <i>Michael A. Osborne, Alex Rogers, Stephen J. Roberts, Sarvapali D. Ramchurn and Nick R. Jennings.</i>	341
16.1	Introduction	341
16.2	The information processing problem	342
16.3	Gaussian processes	343
16.4	Trial implementation	350
16.5	Empirical evaluation	351
16.6	Computation time	357
16.7	Related work	358
16.8	Conclusions	359
16.A	Appendix	360
VI Agent-based models		
17	Optimal control theory and the linear Bellman equation. <i>Hilbert J. Kappen.</i>	363
17.1	Introduction	363

Contents

ix

17.2 Discrete time control	365
17.3 Continuous time control	366
17.4 Stochastic optimal control	370
17.5 Learning	373
17.6 Path integral control	377
17.7 Approximate inference methods for control	382
17.8 Discussion	385
18 Expectation maximisation methods for solving (PO)MDPs and optimal control problems. <i>Marc Toussaint, Amos Storkey and Stefan Harmeling.</i>	388
18.1 Introduction	388
18.2 Markov decision processes and likelihood maximisation	389
18.3 Expectation maximisation in mixtures of variable length dynamic Bayesian networks	393
18.4 Application to MDPs	398
18.5 Application to POMDPs	404
18.6 Conclusion	409
18.A Appendix: Remarks	410
18.B Appendix: Pruning computations	411
<i>Index</i>	414

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Preface

Probabilistic time series modelling

Time series are studied in a variety of disciplines and appear in many modern applications such as financial time series prediction, video-tracking, music analysis, control and genetic sequence analysis. This widespread interest at times obscures the commonalities in the developed models and techniques. A central aim of this book is to attempt to make modern time series techniques, specifically those based on probabilistic modelling, accessible to a broad range of researchers.

In order to achieve this goal, leading researchers that span the more traditional disciplines of statistics, control theory, engineering and signal processing, and the more recent areas of machine learning and pattern recognition, have been brought together to discuss advancements and developments in their respective fields. In addition, the book makes extensive use of the graphical models framework. This framework facilitates the representation of many classical models and provides insight into the computational complexity of their implementation. Furthermore, it enables to easily envisage new models tailored for a particular environment. For example, the book discusses novel state space models and their application in signal processing including condition monitoring and tracking. The book also describes modern developments in the machine learning community applied to more traditional areas of control theory.

The effective application of probabilistic models in the real world is gaining pace, largely through increased computational power which brings more general models into consideration through carefully developed implementations. As such, developing new models and associated approximate inference schemes is likely to remain an active area of research, with graphical models playing an important role in facilitating communication and guiding intuition. The book extensively discusses novel developments in approximate inference, including both deterministic and stochastic approximations.

The structure of the book

Chapter 1 gives a general introduction to probabilistic time series and explains how graphical models can be used to compactly represent classical models, such as the linear dynamical system and hidden Markov model. The chapter also discusses stochastic approximation schemes such as Markov chains and sequential Monte Carlo (particle filtering), and less well known deterministic approximation schemes such as variational methods.

The subsequent chapters are organised into six thematic parts: the first two deal with more theoretical issues related to approximate inference, while the remaining four deal with

the development and application of novel models. More specifically, the parts are organised as follows.

Monte Carlo Monte Carlo methods are important and widespread techniques for approximate inference in probabilistic models. Chapter 2 gives a comprehensive introduction to adaptive Markov chain Monte Carlo methods. In time series models, a particularly relevant issue is that data often arrives sequentially, for which sequential Monte Carlo methods are appropriate. Chapter 3 gives a survey of recent developments in particle filtering. Chapter 4 presents the application of Monte Carlo methods to diffusion processes.

Deterministic approximations Chapter 5 discusses some characteristics of variational approximations, highlighting important aspects and difficulties idiosyncratic to time series models. Chapter 6 presents a novel deterministic approximate inference method for continuous-time Markov processes. Chapters 7 and 8 deal with inference in the important but computationally difficult switching linear dynamical system, and introduce specific deterministic inference schemes as improvements on classical methods.

Switching models Switching models assume that an underlying process may change from one parameter regime to another over time and may be used to model changes in the environment. In Chapter 9 switching models are applied to condition monitoring, in particular physiological monitoring. Chapter 10 reviews changepoint models, which are restricted switching models used to detect abrupt changes in time series, and gives insights into new applications.

Multi-object models A particularly active research area is the tracking of moving objects, such as crowds. In Chapter 11, a detailed discussion of a tracking model and associated stochastic inference method is given. In a similar vein, in Chapter 12 a framework for sequentially inferring how groups dynamically evolve is presented and applied to tracking the group behaviour of financial stocks. In Chapter 13 a different theoretical approach to multi-object tracking based on non-commutative harmonic analysis is discussed.

Nonparametric models In recent years flexible nonparametric models have been a particular focus of machine learning research. In this part, their extension to time series analysis is presented. Chapter 14 discusses sampling algorithms for Gaussian processes. Chapter 15 presents recent developments in nonparametric hidden Markov models, along with associated inference algorithms and applications. Chapter 16 introduces an application of a nonparametric time series model to multi-sensor time series prediction.

Agent-based models A recent viewpoint is to treat a control problem as an inference problem in an associated probabilistic model. This viewpoint is complementary to classical control theory and reinforcement learning and makes use of concepts familiar to probabilistic modellers, facilitating an entrance into this field. In Chapter 17 optimal control theory and the linear Bellman equation are discussed in relation to inference in a probabilistic model. In Chapter 18 the standard methods of learning in probabilistic models are applied to learning control policies in Markov decision problems.

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Whom this book is for

This book will appeal to statisticians interested in modern aspects of time series analysis in areas bordering with engineering, signal processing and machine learning and how time series analysis is approached in those communities. For engineers and machine learners, the book has a wealth of insights into statistical approaches, particularly dealing with sampling techniques applied to difficult time series models. To follow the book, no specific knowledge of time series is required. However, readers are assumed to have a basic understanding of applied probability.

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