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Computational Statistics & Data Analysis III (IIII) III–III

COMPUTATIONAL  
STATISTICS  
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# Bayesian curve estimation by model averaging

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Received 16 July 2003; received in revised form 21 September 2004; accepted 21 September 2004

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## Abstract

A Bayesian approach is used to estimate a nonparametric regression model. The main features of the procedure are, first, the functional form of the curve is approximated by a mixture of local polynomials by Bayesian model averaging (BMA), second, the model weights are approximated by the BIC criterion and third, a robust estimation procedure is incorporated to improve the smoothness of the estimated curve. The models considered at each sample points are polynomial regression models of order smaller than four, and the parameters are estimated by a local window. The predictive value is computed by BMA, and the posterior probability of each model is approximated by the exponential of the BIC criterion. Robustness is achieved by assuming that the noise follows a scale contaminated normal model, so that the effect of possible outliers is downweighted. The procedure provides a smooth curve and allows a straightforward prediction and quantification of the uncertainty. The method is illustrated with several examples and Monte Carlo experiments.

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*Keywords:* Bayesian model averaging; BIC criterion; Robustness; Nonparametric curve fitting; Local polynomial regression

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## 1. Introduction

A Bayesian approach is used to estimate nonparametrically a regression model

$$y_i = m(x_i) + \varepsilon_i, \quad i = 1, \dots, n,$$

given the bivariate data  $(x_1, y_1), \dots, (x_n, y_n)$ . We are interested in estimating the functional relationship,  $m$ , between the variable  $y$  and the explanatory variable  $x$ , and to predict the

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1 response for new values of the covariate. The functional form of  $m(\cdot)$  is unknown and it is  
2 approximated by a mixture of local polynomials estimators.

3 Both parametric and nonparametric techniques are commonly used to find the regression  
4 function  $m(\cdot)$ . The first parametric approach was to use polynomial regression by selecting  
5 the best order of the polynomial to fit the data, see Anderson (1962), Guttman (1967), Hager  
6 and Antle(1968), Brooks (1972) and Halpern (1973). The limitations of this approach are  
7 due to its global nature, that is, we may need a high order polynomial to approximate the  
8 data over the whole range and, even then, the approximation can be poor in wiggly curves.  
9 Second, this procedure is very non robust and a simple observation can exert a big influence  
10 on the estimated curve.

11 There is extensive literature for nonparametric techniques, see for example Eubank  
12 (1988), Wahba (1990), Hastie and Tibshirani (1990) and Green and Silverman (1994) for a  
13 complete survey. Some often used alternatives are piecewise polynomials, splines smoothers  
14 and local polynomial regression. The first two methods require selecting the number and  
15 positions of the knots. This is not an easy task: a small number of knots reduces the degrees  
16 of freedom of the fitted curve and a large number of knots produces overfitting. An excellent  
17 review of this topic can be found in Hansen and Kooperberg (2002). Some procedures have  
18 been proposed for the automatic selection of the knots, see Wahba (1975), Smith (1982)  
19 and Friedman and Silverman (1989). Stone et al. (1997) propose a stepwise approach in  
20 which knots can be introduced and deleted and are evaluated by the log-likelihood. From  
21 the Bayesian point of view this process can be carried out by using reversible jump Markov  
22 chain Monte Carlo (Green, 1995), where the number and the position of the knots are  
23 determined by the data, treating both quantities as random variables. See Denison et al.  
24 (2002) for a general discussion of this curve-fitting with free-knot procedure. Smith and  
25 Kohn (1996) used this Bayesian approach to select the number of knots over a large set  
26 for additive regression models. Denison et al. (1998) have applied this method for general  
27 univariate and additive models using piecewise polynomials instead of splines, because the  
28 first are more flexible for fitting curves that are not smooth. Mallick (1998) proposed esti-  
29 mating the function by taking the order of the polynomial as a random variable and making  
30 inference of the joint distribution of both the order of the polynomial and the polynomials  
31 coefficients. Liang et al. (2001) introduced an automatic prior setting for the multiple linear  
32 regression and they applied the method to Bayesian curve fitting with regression splines.  
33 DiMatteo et al. (2001) also applied a free-knot splines approach to data coming from the  
34 exponential family by using the BIC criterion as an approximation to the integrated likeli-  
35 hood ratios for the acceptance probabilities. Holmes and Mallick (2003) have applied the  
36 free-knot regression to generalized nonlinear modelling. Yau et al. (2003) have proposed  
37 a Bayesianvariable selection and model averaging approach to multinomial nonparametric  
38 regression which can handle a large number of variables and their interactions. They use  
39 a multinomial probit regression model with data augmentation (Albert and Chib, 1993) to  
40 turn the multinomial regression problem into a sequence of smoothing problems with Gaus-  
41 sian errors. In general all these procedures require a high computational cost. For instance  
42 fitting thin-plate splines to two or more variables requires  $O(n^3)$  computations (see Wahba,  
43 1984) and this complexity will increase with the free-knot approach. On the other hand they  
44 have a large flexibility, as tightly-spaced knots can produce peaks and widely-spaced knots  
45 smooth functions.

1 Local polynomial regression fits simple parametric models in neighborhoods defined by  
2 the regressors. It usually requires a low computational cost and was developed in the works  
3 of Stone (1977), Katkovnik (1979), Stone (1980) and Cleveland (1979). See also Loader  
4 (1979). Cleveland (1979) and Cleveland and Devlin (1988) proposed a popular procedure,  
5 the loess (locally weighted regression), which uses local regression with a kernel around  
6 the point of interest and is made robust by using weighted regression. This procedure is fast  
7 to compute (of order  $O(n)$ ) but has two main problems. First, it fits the same local model  
8 over all the range of the data and thus it has no spatial adaptability and makes the result  
9 very dependent on the neighborhood used. Second, it uses M estimators for robustness and  
10 it is well known that these estimates are not robust for high leverage observations (see for  
11 instance Peña and Yohai, 1999).

12 In this work we also use local polynomial regression, because of its simplicity and  
13 low computational cost, but we introduce two main modifications over previous methods.  
14 First, instead of using a fixed degree local polynomial the functional form of the curve  
15 is approximated by a mixture of local polynomials by Bayesian model averaging (BMA).  
16 Bayesian model averaging leads to forecasts which are a weighted average of the predictive  
17 densities obtained by considering all possible polynomial degrees with weights equal to the  
18 posterior probabilities of each degree. BMA takes into account the uncertainty about the  
19 different models, as was pointed out in the seminal work of Leamer (1978). See George  
20 (1999), Raftery et al. (1997), Fernández et al. (2001) and Liang et al. (2001) for interesting  
21 applications. In our case, BMA is implemented by fitting local polynomial regression models  
22 of degree going from zero to  $d$  to the data in a window around each observation, and  
23 estimating the unknown regression function by a weighted sum of the values corresponding  
24 to the polynomials, with weights equal to the posterior probabilities of each polynomial  
25 model. These weights are approximated by the exponential of the BIC criterion (Schwarz,  
26 1978), which approximates the Bayes factor. Second, we made our procedure robust by  
27 assuming that the noise may be contaminated. Then the Bayesian estimation provides an  
28 automatic downweighting of outliers which takes into account their leverage.

29 These two modifications keep the main advantages of local polynomial regression meth-  
30 ods but provide a more flexible and robust procedure. The use of BMA introduces some  
31 spatial adaptability to our procedure, because although we use a fixed window for the local  
32 estimation, we allow for a changing polynomial degree. This spatial adaptability is one of  
33 the main advantages of the free-knot approach, which is able to change the smoothing ap-  
34 plied by taking into account the curvature of the regression function. As shown by Fan and  
35 Gijbels (1995), an adaptive bandwidth can be obtained by an adaptive polynomial degree  
36 and by using BMA we introduce this adaptive behavior in our procedure. Then, the use of  
37 the BIC approximation keeps its simplicity and low computational cost and guarantees that  
38 if the true model is a polynomial model of degree smaller than  $d$ , then for large sample size  
39 the true model will be used. Also, when the true model is not a polynomial, the use of BMA  
40 allows us to build credible intervals which take into account the uncertainty about the model  
41 and lead to better predictive capability than those built using a single model (Madigan and  
42 Raftery, 1994). The use of mixtures of normals for robust estimation has several advantages  
43 over classical methods. See for instance Denison et al. (2002). First, we can take into account  
44 the leverage of the observations in addition to the residual sizes and avoid the limitation  
45 of M estimation in regression. Second, we obtain posterior probabilities for the suspicious

1 observations to be outliers. These mixture estimation methods in general require a high  
 2 computational cost but we will show in Section 3.1 that, in this problem, we can take into  
 3 account the information obtained in one local window to simplify the computations for the  
 4 next window, making the procedure fast and efficient.

5 The rest of the paper is organized as follows. Section 2 describes the proposed method  
 6 and presents its main properties. Section 3 develops the modification of the method to make  
 7 it robust to outliers. Section 4 analyzes some real data sets to illustrate the behavior of  
 8 the procedure and provides a Monte Carlo comparison with other methods using several  
 9 simulated benchmark examples proposed in the literature. Finally, Section 5 presents some  
 10 concluding remarks.

## 11 2. The proposed method

12 Suppose that we have  $n$  observations  $(x_i, y_i)$  which are a sample of independent and iden-  
 13 tically distributed data from a random variable  $(X, Y)$ . We assume that these observations  
 14 are related by

$$15 \quad y_i = m(x_i) + \varepsilon_i, \quad i = 1, \dots, n, \quad (1)$$

16 where  $E(\varepsilon_i) = 0$ ,  $Var(\varepsilon_i) = \sigma^2$ , and  $X$  and  $\varepsilon$  are independent. Further, we suppose that  $m(\cdot)$   
 17 is a smooth function. It is well known that the family of polynomials of degree smaller than  
 18  $d$ , for  $d$  large enough, can capture the local structure of any curve. Given a value of  $d$ , to be  
 19 discussed below, we consider local polynomial models  $M_J$  of the form

$$20 \quad y_i = \sum_{j=0}^J \beta_{Jj} (x_i - \bar{x})^j + \varepsilon_i, \quad J = 0, \dots, d, \quad (2)$$

21 for some neighborhood of  $(x_i, y_i)$ , where  $\bar{x}$  is the mean of the  $x$  variable in the neighborhood.  
 22 Note that in order to simplify the notation, we write  $\beta_{Jj}$  instead of  $\beta_{Jj}^{(i)}$ , as the regression  
 23 parameters are going to depend on the neighborhood. To define this neighborhood, suppose  
 24 that the  $x$  observations are all different and ordered, that is,  $x_1 < x_2 < \dots < x_n$ , (if they were  
 25 not different we define the neighborhood over the set of different observations of  $x$ ). Then,  
 26 for a given observation  $x_i$ , the neighborhood around this point is defined by

$$27 \quad SNN(x_i, w) = \{x_k : x_{i-w} \leq x_k \leq x_{i+w}\},$$

28 where  $w$  is the bandwidth of the window. The number of observations in the window is at  
 29 least  $2w + 1$ . We assume that  $w$  is chosen so that the number of different values of  $x_k$  in  
 30  $SNN(x_i, w)$  is at least  $d + 1$ , so that the polynomial of degree  $d$  can be fitted using the data  
 31 in the window. To take into account the left and right endpoints, where the windows contain  
 32 fewer observations, we redefined the first and the last windows as  $SNN(x_i, w) = \{x_k : x_{\max(1, i-w)} \leq x_k \leq x_{\min(n, i+w)}\}$ .

33 In this work we make all the inference for the predicted value of a future observation  
 34  $y_{f_i} = m(x_i)$  corresponding to a given value  $x_i$ , although the same analysis can be applied  
 35 for a new observation  $x_0$  belonging to the range of the data,  $x_0 \in (x_1, x_n)$ , by defining  
 36  $SNN(x_0, w) = SNN(x_i, w)$  where  $x_i = \min_k \|x_k - x_0\|$ .

1 The procedure is applied as follows. Let  $D_i = \{(x_k, y_k) : x_k \in SNN(x_i, w)\}$ , for each  $x_i$   
 2 in the sample, we locally approximate the general form  $m(x_i)$  in  $D_i$  by a linear combination  
 3 of the polynomials (2). Thus, using data  $D_i$  we compute the posterior probabilities for  
 4 different polynomial degrees and then estimate  $m(x_i)$  at each point by its forecast using  
 5 BMA. The predictive distribution for a new observation,  $y_{f_i}$ , is given by

$$p(y_{f_i} | D_i) = \sum_{J=0}^d p_J p(y_{f_i} | D_i, M_J),$$

7 where  $p_J = P(M_J | D_i)$  is the posterior probability for the polynomial model of degree  
 8  $J$ ,  $M_J$ , given data  $D_i$ . The prediction under quadratic loss will be given by  $\widehat{m}(x_i | D_i) =$   
 9  $E(y_{f_i} | D_i)$ , and we have that

$$\widehat{m}(x_i | D_i) = \sum_{J=0}^d p_J \widehat{m}(x_i | D_i, M_J), \quad (3)$$

11 where  $\widehat{m}(x_i | D_i, M_J) = E(y_{f_i} | D_i, M_J)$  is the expected value of the predictive distribution  
 12 conditional to model  $M_J$ .

13 To make the inference about the polynomial models (2), we consider a reference prior  
 14 distribution by taking a priori the elements of  $\beta_J = (\beta_{J0}, \dots, \beta_{JJ})'$  and  $\sigma_J$  independently  
 15 and uniformly distributed,

$$p(\beta_J, \sigma_J) \propto \frac{1}{\sigma_J}.$$

17 Then, the predictive distribution for a new observation,  $p(y_{f_i} | D_i, M_J)$ , is a  $t$ -Student  
 18 distribution with  $v = n_0 - (J + 1)$  degrees of freedom, where  $n_0$  is the sample size of  
 19  $SNN(x_i)$ , mean  $E(y_{f_i} | D_i, M_J) = \mathbf{x}_i \widehat{\beta}_J$ , where  $\widehat{\beta}_J = (\widehat{\beta}_{J0}, \dots, \widehat{\beta}_{JJ})'$  is the vector of usual  
 20 least-squares estimators for the parameters of the polynomial of degree  $J$  for data in  $D_i$ ,  $\mathbf{x}_i =$   
 21  $(1, (x_i - \bar{x}_i), \dots, (x_i - \bar{x}_i)^J)$  and  $\bar{x}_i = \{\sum x_k / n_0 : x_k \in SNN(x_i)\}$ , and variance given by  
 22  $Var(y_{f_i} | D_i, M_J) = \frac{v}{v-2} s_J^2 (1 + (x_i - \bar{x}_i)(\mathbf{X}_J' \mathbf{X}_J)^{-1} (x_i - \bar{x}_i))$  where  $vs_J^2$  is the standard  
 23 sum of the squared residuals and  $\mathbf{X}_J$  is the design matrix of the polynomial model (2)  
 24 of degree  $J$  fitted to the data in  $D_i$ . Note that this estimation is applied for each neighborhood,  
 25 although, to simplify, we do not include this dependence in the notation.

26 The posterior probability for model  $M_J$  is approximated by the exponential of the BIC  
 27 criterion, which, as [Kass and Raftery \(1995\)](#) pointed out, approximates the Bayes factor  
 28 with a relative error  $O(1)$ . The Schwarz criterion ([Schwarz, 1978](#)) for  $M_J$  is defined as

$$29 \quad S(M_J) = \log p(\mathbf{y} | \widehat{\beta}_J) - \frac{1}{2}(J + 1) \log n_0,$$

30 where  $p(\mathbf{y} | \widehat{\beta}_J)$  is the likelihood of the model  $M_J$ ,  $\widehat{\beta}_J$  is the MLE of the parameter vector  
 31 under model  $M_J$  for data in  $D_i$ ,  $n_0$  is the sample size of  $SNN(x_i)$  as before and  $(J + 1)$   
 32 is the dimension of the vector  $\widehat{\beta}_J$ . The Bayesian information criterion (BIC) of a model  $M_J$   
 33 is  $BIC(M_J) = -2S(M_J)$ , and  $\exp(S(M_{J_1}) - S(M_{J_2}))$  approximates the Bayes factor  $B_{J_1 J_2}$

1 with a relative error  $O(1)$ . Thus, we can approximate the Bayes factors by

$$B_{J_1 J_2}^{\text{BIC}} = \exp(S(M_{J_1}) - S(M_{J_2})) = \frac{\exp(-0.5\text{BIC}(M_{J_1}))}{\exp(-0.5\text{BIC}(M_{J_2}))}$$

3 and obtain the posterior probability for a model by

$$p(M_J | D_i) \propto p(M_J) \left\{ \log p(\mathbf{y} | \hat{\boldsymbol{\beta}}_J) - \frac{1}{2}(J+1) \log n_0 \right\},$$

5 where  $p(M_J)$  is the prior probability for the polynomial model. The likelihood for a normal linear model evaluated at the MLE estimator is easily seen to be

$$7 \quad p(\mathbf{y} | \hat{\boldsymbol{\beta}}_J) = (2\pi)^{-n_0/2} \left( \frac{vs_J^2}{n_0} \right)^{-n_0/2} \exp \left\{ -\frac{n_0}{2} \right\}$$

and the posterior probability of  $M_J$  may be approximated, after absorbing common constants, by  $p(M_J | D_i) = K_{\text{BIC}} p(M_J) (vs_J^2)^{-n_0/2} n_0^{-(J+1)/2}$ , where  $K_{\text{BIC}}$  is obtained by the condition  $\sum_{J=0}^d p(M_J | D_i) = 1$ . Then we approximate the posterior probability of the models by

$$11 \quad p(M_J | D_i) \propto s_J^{-n_0} n_0^{-(J+1)/2}. \quad (4)$$

13 Note that we are applying Bayesian inference locally, so that we do not assume a fixed joint likelihood function for the data, as it is standard in nonparametric statistics. From this point of view our approach can be seen as a Bayesian nonparametric approach in which the prior and the likelihood are specified locally. This provides a flexible approach in situations in which a global model would be very complicated to specify.

15 In order to apply this method several decisions must be made. First we have to decide about the maximum degree  $d$  of the polynomials to be fitted. We propose to take  $d = 3$ . We have found that this value is large enough to fit any curve locally very well and it avoids the problem of overfitting. Second, we have to decide on the a priori probabilities of the models. Two possible choices are uniform,  $p(M_J) = (d+1)^{-1}$  or decreasing with the polynomial degree. We propose the uniform prior for simplicity. The third choice is the bandwidth parameter  $w$ . A classical solution is to choose this parameter by cross-validation as follows. Let  $\hat{y}_i^w$  be the estimated value of  $m(x_i)$  with bandwidth  $w$ , where the observed value  $y_i$  is omitted in the estimation of  $\hat{y}_i^w$ . Then, the value for  $w$  is chosen to minimize the mean squared error

$$27 \quad \text{MSE}_w = \frac{1}{n} \sum_{i=1}^n (m(x_i) - \hat{y}_i^w)^2.$$

29 We have checked by simulation that the results are not very sensitive to the choice of the parameter  $w$ . This fact can be explained by the work of [Fan and Gijbels \(1995\)](#). They proposed a method which replaces an adaptive bandwidth by an adaptive order of the polynomial to be fitted, and observed that if the bandwidth parameter is large, then the order chosen for the polynomial order is high, whereas when a small bandwidth is used the

- 1 order chosen was low. This same effect has been observed in the proposed method, and this  
 2 compensation effect makes the procedure fairly robust to the bandwidth parameter chosen.  
 3 The consistency of the proposed method can be obtained from the consistency of the  
 4 polynomial model approach. Also, we can obtain the expressions of the bias and the variance  
 5 based on the Theorem 3.1, page 62, in Fan and Gijbels (1996)

$$\begin{aligned}
 E[\widehat{m}(x) - m(x) | \mathbf{X}] &= E \left[ \left\{ \sum_{i=0}^3 p_i \widehat{m}_i(x) \right\} - m(x) | \mathbf{X} \right] \\
 &= \left( \frac{p_0 + p_1}{2} \right) \frac{w^2}{3} m''(x) + \left( \frac{p_2 + p_3}{2} \right) \frac{w^4}{140} m^{iv}(x) + o_p(w^4), \\
 \text{Var}[\widehat{m}(x)] &= \text{Var} \left[ \sum_{i=0}^3 p_i \widehat{m}_i(x) \right] \\
 &= \left\{ \left( \frac{p_0^2 + p_1^2}{2} \right) + 9 \left( \frac{p_2^2 + p_3^2}{2} \right) \right\} \left( \frac{\sigma^2}{c} \frac{1}{nw} \right) + o_p \left( \frac{1}{nw} \right),
 \end{aligned}$$

- 7 where  $\sigma^2$  is the residual variance,  $p_j$  are the posterior probability of the polynomials models,  
 8  $w$  is the bandwidth,  $n$  is the sample size and  $m^i(x)$  indicates the  $i$ th derivative of the  $m(x)$   
 9 function. We are supposing that the marginal density of the observations  $x$ ,  $f(x)$ , is uniform  
 10 over the range of the data,  $f(x) = c$  and  $f'(x) = 0$ .  
 11 In order to have a smoother curve the procedure can be iterated. As iterating the procedure  
 12 does not have a clear Bayesian justification, this stage can be skipped, although we have  
 13 found in practice (see Section 4) that it often leads to better results. The iteration can be  
 14 carried out as follows. Let  $\tilde{y}^{(1)}$  by the predicted value obtained by (3) in the first application  
 15 of the procedure or the first iteration. Then the observed values  $(x, y)$  are replaced by the  
 16 output of the first iteration,  $(x, \tilde{y}^{(1)})$ , and the procedure is applied to this modified data set  
 17 to obtain  $\tilde{y}^{(2)}$ , which is the output in the second iteration. In the same way the values in the  
 18  $k$ th iteration,  $\tilde{y}^{(k)}$ , can be computed by using the output of the  $(k - 1)$ th iteration  $(x, \tilde{y}^{(k-1)})$   
 19 as input data. In practice, we have found that a single iteration is enough to produce a good  
 20 result.  
 21 A possible problem when applying this procedure is that a single outlier observation can  
 22 have a large effect on the estimated models. In the next section we propose a robustified  
 23 version of the method.

### 3. Robustifying the method

- 25 The method can be made robust to reduce the influence of the outliers in the local  
 26 estimation by modelling the residuals by a mixture of normals. This model was introduced  
 27 by Tukey (1960) and studied by Box and Tiao (1968). Suppose that observations  $\mathbf{y}$  are  
 28 generated by the model (1), where now the errors  $\varepsilon_i$  are random variables with the mixture  
 29 distribution

$$\varepsilon_i \sim (1 - \alpha)N(0, \sigma^2) + \alpha N(0, k^2 \sigma^2),$$

1 where  $\alpha$  is the prior probability that one observation comes from the  $N(0, k^2\sigma^2)$  distribution  
 2 and  $k > 1$ . To make inference about this model, a set of dummy variables  $\delta_i$  are defined  
 3 by  $\delta_i = 1$  if  $Var(\varepsilon_i) = k^2\sigma^2$  and  $\delta_i = 0$  otherwise. Let  $\Delta_k = (\delta_1 = l_1, \dots, \delta_n = l_n)$  be  
 4 a possible configuration of the data, where  $l_i = 0, 1$ . Then there are  $2^n$  possible classifications  
 5 of the observations into the two components of the mixture. Let  $\mathbf{V}$  be a diagonal matrix  
 6 with elements  $(i, i)$ ,  $v_{ii}$  equal to 1 if  $\delta_i = 0$  and  $v_{ii} = 1/k^2$  if  $\delta_i = 1$ . Then, by making the  
 7 transformation  $\mathbf{Y}_h = \mathbf{V}^{1/2}\mathbf{Y}$ ,  $\mathbf{X}_h = \mathbf{V}^{1/2}\mathbf{X}$ , standard inference results for linear models can  
 8 be applied. The BMA predictive distribution for the future observation  $y_{f_i}$  given the data  
 9  $D_i$ , will be given by

$$p(y_{f_i} | D_i) = \sum_{h=0}^{2^n} \sum_{J=0}^d p(y_{f_i} | D_i, M_J, \Delta_h) p_{Jh}, \quad (5)$$

11 which is a mixture of  $(d+1) \times 2^n$  distributions,  $p(y_{f_i} | D_i, M_J, \Delta_h)$ , where the weights, for  
 12 each model and each configuration of the data, are given by  $p_{Jh} = p(M_J | \Delta_h, D_i) p(\Delta_h | D_i)$ .  
 13 We compute the predicted value  $\widehat{m}(x_i | D_i)$  as the expected value of the predictive distribu-  
 14 tion  $p(y_{f_i} | D_i)$ ,

$$\widehat{m}(x_i | D_i) = \sum_{J=0}^d \sum_{h=0}^{2^n} p_{Jh} \widehat{m}(x_i | D_i, M_J, \Delta_h).$$

15 Given the model and the configuration, the predictive distribution  $p(y_f | D_f, M_J, \Delta_h)$  for a  
 16 new observation  $x_f$ , is a  $t$ -student distribution  $t(v, \mathbf{x}_f \widehat{\boldsymbol{\beta}}_{Jh}, h)$  with  $v = n - (J+1)$  degrees of  
 17 freedom. The expected values  $\widehat{m}(\mathbf{x}_f | D_f, M_J, \Delta_h) = \mathbf{x}_f \widehat{\boldsymbol{\beta}}_{Jh}$  is the mean of the distribution,  
 18  $\mathbf{x}_f = (1, (x_f - \bar{x}_f), \dots, (x_f - \bar{x}_f)^J)$ ,  $\bar{x}_f = \{\sum x_k/n_0 : x_k \in SNN(x_f)\}$ , and  $\widehat{\boldsymbol{\beta}}_{Jh}$  are  
 19 the estimated parameters given the  $\Delta_h$  configuration and the model  $M_J$ ,

$$\widehat{\boldsymbol{\beta}}_{Jh} = (\mathbf{X}'_{Jh} \mathbf{X}_{Jh})^{-1} \mathbf{X}'_{Jh} \mathbf{Y}_h = (\mathbf{X}'_J \mathbf{V} \mathbf{X}_J)^{-1} \mathbf{X}'_J \mathbf{V} \mathbf{Y}$$

21 and the variance of the predictive distribution is

$$\frac{v}{v-2} \widehat{s}_{Jh}^2 \left( 1 + (x_f - \bar{x}_f)(\mathbf{X}' \mathbf{V} \mathbf{X})^{-1} (x_f - \bar{x}_f) \right),$$

22 where

$$v \widehat{s}_{Jh}^2 = (\mathbf{Y}_h - \mathbf{X}_{Jh} \widehat{\boldsymbol{\beta}}_{Jh})' (\mathbf{Y}_h - \mathbf{X}_{Jh} \widehat{\boldsymbol{\beta}}_{Jh}) = \mathbf{Y}' [\mathbf{V} - \mathbf{V} \mathbf{X}_J (\mathbf{X}'_J \mathbf{V} \mathbf{X}_J)^{-1} \mathbf{X}'_J \mathbf{V}] \mathbf{Y}$$

23 is the standard sum of the squared residuals.

24 The weights of the mixture are given by  $p_{Jh} = p(M_J | \Delta_h, D_f) p(\Delta_h | D_f)$ , where the  
 25 first term,  $p(M_J | \Delta_h, D_f)$ , is the posterior probability of the models given a configuration  
 26  $\Delta_h$ . We approximate this term by the exponential of the BIC, given by (4), where  $\widehat{s}_J^2$  is  
 27 replaced by  $\widehat{s}_{Jh}^2$  which depends on the model and on the configuration. The integration  
 28 constant is computed by using the restriction that the sum of the posterior probabilities of  
 29 the four polynomials models, given each configuration,  $\Delta_h$ , is one.  
 30  
 31

1 The second term for the weights, is computed by

$$p(\Delta_h | \mathbf{y}) = K_2 p(\mathbf{y} | \Delta_h) p(\Delta_h) = K_2 \sum_{J=0}^d p(\mathbf{y} | \Delta_h, M_J) p(\Delta_h | M_J) p(M_J),$$

3 where  $p(\mathbf{y} | \Delta_h, M_J)$  is the marginal distribution of the data, given a model  $M_J$  and a  
 4 configuration  $\Delta_h$ ,  $p(\Delta_h | M_J)$  is the prior probability of a configuration, which does not  
 5 depend on the model  $M_J$ ,  $p(\Delta_h | M_J) = p(\Delta_h) = \alpha^{n_h} (1 - \alpha)^{n - n_h}$  and  $n_h$  is the number  
 6 of elements with high variance in the configuration  $\Delta_h$ ,  $n_h = \sum \delta_i$ . Finally,  $p(M_J)$ , the  
 7 prior probabilities, are equal for all the models and this term is absorbed by the integration  
 8 constant.

9 In order to compute the marginal density,  $p(\mathbf{y} | \Delta_h, M_J)$  the likelihood of the model for  
 the parameters  $\theta_J = (\boldsymbol{\beta}_J, \sigma_J)$  can be written as

$$\begin{aligned} f(\mathbf{y} | \mathbf{X}, \theta_J, M_J, \Delta_h) &= (2\pi)^{-n_h/2} \sigma_{Jh}^{-n_h} k^{-n_h} \exp \left\{ -\frac{1}{2\sigma_{Jh}^2 k^2} (\mathbf{Y}_{n_h} - \mathbf{X}_{Jn_h} \boldsymbol{\beta}_J)' (\mathbf{Y}_{n_h} - \mathbf{X}_{Jn_h} \boldsymbol{\beta}_J) \right\} \\ &\quad \times (2\pi)^{-(n-n_h)/2} \sigma_{Jh}^{-(n-n_h)} \\ &\quad \times \exp \left\{ -\frac{1}{2\sigma_{Jh}^2} (\mathbf{Y}_{(n-n_h)} - \mathbf{X}_{J(n-n_h)} \boldsymbol{\beta}_J)' (\mathbf{Y}_{(n-n_h)} - \mathbf{X}_{J(n-n_h)} \boldsymbol{\beta}_J) \right\} \\ &= (2\pi)^{-n/2} \sigma_{Jh}^{-n} k^{-n_h} \\ &\quad \times \exp \left\{ -\frac{1}{2\sigma_{Jh}^2 k^2} (\mathbf{V}^{1/2} \mathbf{Y} - \mathbf{V}^{1/2} \mathbf{X}_J \boldsymbol{\beta}_J)' (\mathbf{V}^{1/2} \mathbf{Y} - \mathbf{V}^{1/2} \mathbf{X}_J \boldsymbol{\beta}_J) \right\}, \end{aligned}$$

11 where  $\mathbf{X}_{Jn_h}$  indicates the rows of  $\mathbf{X}_J$  corresponding to the observations with variance  $k^2 \sigma_{Jh}^2$ ,  
 12 and  $\mathbf{X}_{J(n-n_h)}$  those corresponding to observations with variance  $\sigma_{Jh}^2$ . The marginal density  
 13 is obtained by integrating  $\theta_J$ ,  $p(\mathbf{y} | \Delta_h, M_J) \propto (\hat{s}_{Jh}^2)^{-(n-J+1)/2} |\mathbf{X}'_J \mathbf{V} \mathbf{X}_J|^{-1/2}$  and we  
 14 can obtain the expression for the marginal probability of the configuration,

$$\begin{aligned} p(\Delta_h | \mathbf{y}) &= K_2 \sum_{J=0}^d p(\mathbf{y} | \Delta_h, M_J) p(\Delta_h) \\ &= K_2 \sum_{J=0}^d (\hat{s}_{Jh}^2)^{-(n-J+1)/2} |\mathbf{X}'_J \mathbf{V} \mathbf{X}_J|^{-1/2} \alpha^{n_h} (1 - \alpha)^{n - n_h}, \end{aligned}$$

17 where the constant  $K_2$  is computed by using the condition  $\sum_{h=0}^{2^n} p(\Delta_h | \mathbf{y}) = 1$ .

### 3.1. Implementation

18 The scale contaminated normal model has the problem that the inference is made over  
 19 the  $2^n$  possible configurations of the data and it requires intensive computation. Although  
 20 in our case we have many local estimation problems with small sample size, the number

of computations grows in exponential form. For example, for window size  $n_0 = 20$ , the procedure requires computing approximately  $10^6$  posterior probabilities for the models, for each one of the  $n - n_0$  windows.

The problem has been solved in the literature using the Gibbs sampler, (see [Verdinelli and Wasserman, 1991](#) and [Justel and Peña, 1996](#)) but the local character of the estimation implies solving approximately  $n - n_0$  local problems which requires intensive computation. Note that in this problem we may take advantage of the fact that the inference in a given window gives us information about the inference in the next window, because they will only differ in a few observations. Suppose we have computed the posterior probabilities for all the configurations of the data corresponding to the set of observations belonging to window  $D_i$ . The next window,  $D_{i+1}$ , is obtained from the previous one by deleting some observations in the left extreme of  $D_i$  and adding some new observations in the right hand of the  $D_{i+1}$ . Thus, we can obtain the configurations with highest probability in the first windows and use this information to obtain the configurations with highest probabilities in the next window,  $D_{i+1}$ .

For this first window, if the sample size is small enough, the simplest solution is to carry out an exhaustive study of the configurations. Otherwise, an alternative fast method which allows an automatic implementation was proposed by [Peña and Tiao \(1992\)](#). Suppose that we have a sample of size  $n$  and that we can classify the observations in two groups. The first includes  $n_1$  observations of potential outliers and the second the remaining  $n_2 = n - n_1$  observations which we believe have a high probability of not being an outlier. Then, as

$$\binom{n}{h} = \sum_{j=0}^h \binom{n_1}{j} \binom{n_2}{h-j} = \binom{n_1}{h} + \sum_{j=0}^{h-1} \binom{n_1}{j} \binom{n_2}{h-j}$$

instead of studying all the combinations of  $h$  outliers out of  $n$  we can compute all the combinations of  $h$  outliers out of the  $n_1$  potential set of outliers and a sample of the combinations which include  $j = 1, 2, \dots, h - 1$  outliers and a small sample of all the combinations of  $h$  points out of  $n_2$ . In order to do so we need to divide the observations in these two groups. [Peña and Tiao \(1992\)](#) proposed studying the differences between the probabilities  $P(A_i A_j)$ , and  $P(A_i) P(A_j)$ , where  $A_i$  is the event that  $x_i$  is an outlier, and consider as potential outliers those observations in which both probabilities were different.

To apply this idea to the problem, the set of potential outliers is identified as follows:

(1) Compute the posterior probabilities for all the configurations which have the number of outliers less or equal to 2. Let  $\Delta_0$  be the configuration without outliers,  $\Delta_i$  the configuration with only one outlier, the observation  $x_i$  and  $\Delta_{i,j}$  the configuration in which only the elements  $(x_i, x_j)$  are outliers.

(2) Include in the set of potential outliers the isolated outliers defined by the set  $A = \{x_i : \frac{P(\Delta_i | D)}{P(\Delta_0 | D)} \geq 3\}$ .

(3) Include also the partially masked outliers as those belonging to the set  $B = \{x_j : \frac{P(\Delta_{i,j} | D)}{P(\Delta_i | D)} \geq 3, x_i \in A\}$ .

1 (4) Include also the completely masked outliers, defined by the elements of the set  $C =$   

$$\left\{ (x_i, x_j) : \frac{P(\Delta_{i,j} | D)}{P(\Delta_0 | D)} \geq 3, (x_i, x_j) \notin (A \cup B) \right\}.$$

3 The set of potential outliers is formed by elements belonging to  $(A \cup B \cup C)$ .

4 Once the configurations of outliers and good points with highest probability are detected  
 5 for the first window,  $D_1$ , we use this information to select the configurations in the next  
 6 window,  $D_2$ . In the same way we use the information of  $D_i$  to select the configurations of  
 7  $D_{i+1}$  in a recursive form. In order to do so we introduce some notation: let  $LD_i = D_i \setminus D_{i+1}$ ,  
 8 the left part of  $D_i$ , the set of observations belonging to  $D_i$  which do not belong to  $D_{i+1}$ ,  
 9  $m_i^L$  the cardinal of  $LD_i$ , similarly let  $RD_i$  the right part of  $D_i$  and  $m_i^R$  the cardinal of  $RD_i$ .

10 Suppose that we have the posterior probabilities  $p(\Delta_h^i | \mathbf{y})$  for all the configurations  
 11 in the window  $D_i$  which do not have negligible probability. We select the set of  $M$  con-  
 12 figurations  $\nabla_{D_i} = \{\Delta_1^i, \dots, \Delta_M^i\}$  with highest posterior probability. Now, we move to  
 13 the next window,  $D_{i+1}$ , and let  $\nabla_{RD_i} = \{\Delta_1^R, \dots, \Delta_{2^{m_i^R}}^R\}$  be the  $2^{m_i^R}$  possible configu-  
 14 rations for the  $m_i^R$  new observations which are incorporated in  $D_{i+1}$ . In addition we have  
 15 to delete from  $\nabla_{D_i}$  the terms corresponding to the observations which are not in  $D_{i+1}$ .  
 16 Let  $\Delta_k^{*i}$  be the configuration obtained from  $\Delta_k^i \in \nabla_{D_i}$  by deleting the first  $m_i^L$  terms.  
 17 Then, the configurations with highest probabilities in the next window  $D_{i+1}$  will belong  
 18 to the set  $\left\{ \left[ \Delta_1^{*i} \cup \Delta_1^R \right], \dots, \left[ \Delta_1^{*i} \cup \Delta_{2^{m_i^R}}^R \right], \dots, \left[ \Delta_M^{*i} \cup \Delta_1^R \right], \dots, \left[ \Delta_M^{*i} \cup \Delta_{2^{m_i^R}}^R \right] \right\}$  where  
 19  $\left[ \Delta_k^{*i} \cup \Delta_j^R \right]$  represents the  $\Delta_j^{*i}$  configuration for the observations which belong to  $D_i$  and  
 20 the configuration  $\Delta_j^R$  for the new observation incorporated. If there are not repeated ob-  
 21 servations in the data set and  $m_i^R = 1$ , for all the windows  $D_i$ , then we can choose  $M$  big  
 22 enough to guarantee that the best configurations are selected. In data sets with repeated  
 23 observations,  $M$  should be chosen moderate to avoid expensive computations.

#### 4. Examples

25 To illustrate the methods developed, we consider three data set frequently analyzed in  
 26 the nonparametric curve fitting. The first one is the Helmets data. The data consists of ac-  
 27 celerometer readings taken through time in an experiment on the efficacy of crash helmets  
 28 in simulated motor-cycle crashes, described in detail by Schmidt et al. (1981). The second  
 29 one is the Ethanol data. The data includes 88 measurements of two variables from an exper-  
 30 iment in which ethanol was burned in a single cylinder automobile test engine (Brinkman,  
 31 1981). The two variables measured are the concentration of nitric oxide (NO) and nitrogen  
 32 dioxide (NO<sub>2</sub>) in engine exhaust and the equivalence ratio at which the engine was run (a  
 33 measure of the richness of the air-ethanol mix). The third example is the Diabetes data. It  
 34 includes two variables measured in children with insulin-dependent diabetes. The variables  
 35 are the age of the children and the level of serum C-peptide, and were obtained from Sockett  
 36 et al. (1987). We have analyzed the same subset of 43 observations that appear in Hastie and  
 37 Tibshirani (1990) which use this data to show the effect of several smoothers in Chapter 2  
 of their book.

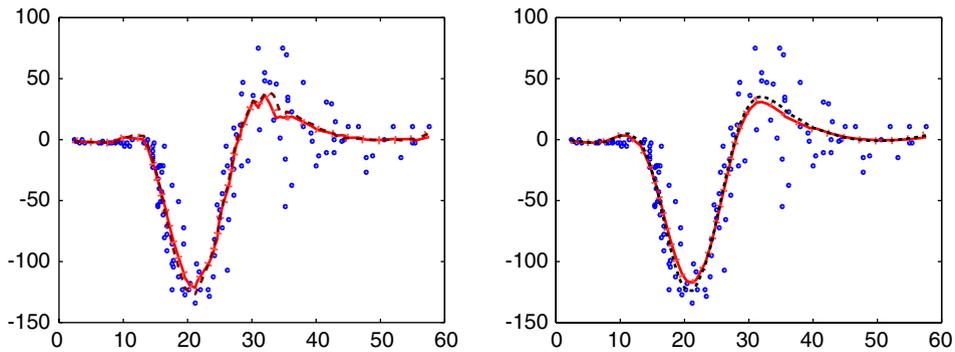


Fig. 1. Curves fit for Helmets data. The left figure shows the curve for the standard method (solid line), the robust method with parameters ( $\alpha = 0.05$ ,  $k^2 = 3$ ) (dotted line) and the robust method with ( $\alpha = 0.1$ ,  $k^2 = 5$ ) (dashed line). The right figure shows the second iteration of the procedure for these three cases.

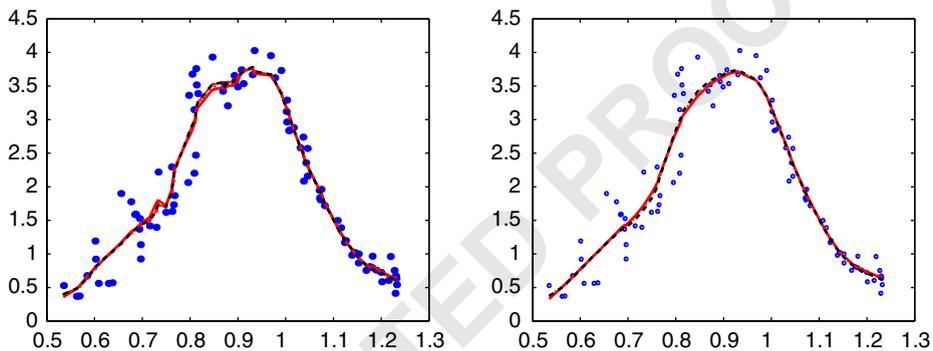


Fig. 2. Curves fit for Ethanol data. The left figure shows the curve fitted by the standard method (solid line), the robust method with parameters ( $\alpha = 0.05$ ,  $k^2 = 3$ ) (dotted line) and the robust method with ( $\alpha = 0.1$ ,  $k^2 = 5$ ) (dashed line). The right figure shows the second iteration of the procedure for these three cases.

- 1 Fig. 1 shows the estimated curve for the Helmets data, with  $w = 12$  estimated by cross  
 2 validation. The figure in the left-hand side shows the estimated curve with the procedure  
 3 presented in Section 2 and two robust curve estimates with parameters ( $\alpha = 0.01$ ,  $k^2 = 3$ )  
 4 and ( $\alpha = 0.1$ ,  $k^2 = 5$ ). It can be seen that the smoothness of the curve increases with the  
 5 prior proportion of outliers. On the right hand a second iteration for each of these three  
 6 cases are shown and it can be seen that these curves are very smooth and the differences  
 7 among them are very small.
- 8 Fig. 2 shows the estimated curve for the Ethanol data. In this data set the value of the  
 9 parameter  $w$  obtained by minimizing the MSE for cross validation is  $w = 10$ . The three  
 10 curves shown are the ones obtained by the standard estimation and two obtained by a robust  
 11 approach with the same values of the parameters as in the previous example ( $\alpha = 0.01$ ,  $k^2 = 3$ )  
 and ( $\alpha = 0.1$ ,  $k^2 = 5$ ). We can observe that there are small differences among the three

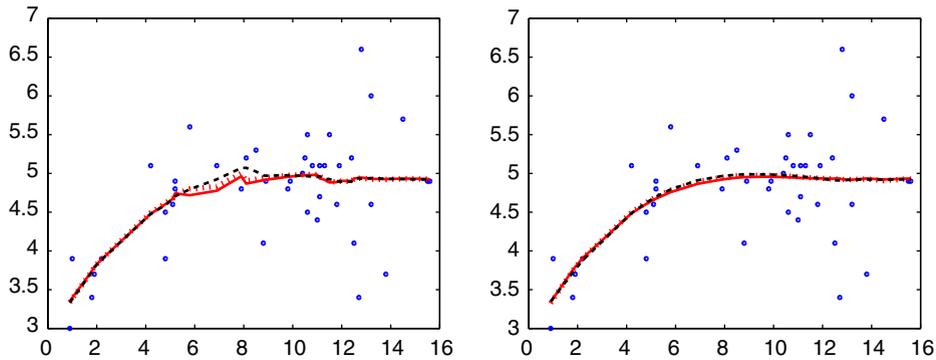


Fig. 3. Curves fit for diabetes data. The left figure shows the curve fitted by the standard method (solid line), the robust method with parameters  $(\alpha=0.01, k^2=3)$  (dotted line) and robust method with  $(\alpha=0.05, k^2=7)$  (dashed line). The right figure shows the second iteration of the procedure for these three cases.

1 curves and none of them is completely smooth. Note that as the data is homogeneous the  
 2 robustification does not modify the standard estimation. In the right hand figure we show  
 3 the second iteration of the procedure in the three cases, the three curves obtained are smooth  
 4 and very similar.  
 5 Fig. 3 shows the fitting curve for the diabetes data in the first two iterations of the  
 6 algorithm. The window which minimizes the MSE for cross validation is now  $w = 22$ , and  
 7 the sample size is 43. The lack of smoothness observed in the curve fitted by the standard  
 8 procedure corresponds to the incorporation of the extreme observations around  $x_i = 13$ . The  
 9 robust estimate of the curve reduces this effect. Apart from the variability at this point there  
 10 are small differences among the fitted curves due to the large window used. The second  
 11 iteration of the procedures leads to similar fitted curves.

#### 4.1. Monte Carlo experiment

13 We compare the behavior of the proposed method to the popular loess method of Cleveland  
 14 (1979) which is implemented in many computer programs, and to the Bayesian free-knot  
 15 splines approach by DiMatteo et al. (2001) as implemented in the BARS code which can be  
 16 downloaded from <http://www.stat.cmu.edu/~jliebner/>. The comparison is made by using  
 17 four simulated functions proposed by Donoho and Johnstone (1994) which have been used  
 18 often in the literature for comparison purposes (see Denison et al., 1998). The four simulated  
 19 functions are:

$$\text{Heavisine } f(x) = [4 \sin(4\pi x) - \text{sgn}(x - 0.3) + \varepsilon_3 - \text{sgn}(0.72 - x)],$$

$$\text{Blocks } f(x) = \sum h_j^{(2)} K(x - x_j) + \varepsilon_4 \quad K(x) = (1 + \text{sgn}(x))/2,$$

$$\text{Bumps } f(x) = \sum h_j^{(1)} K((x - x_j)/w_j) + \varepsilon_5 \quad K(x) = (1 + |x|)^{-4},$$

$$\text{Doppler } f(x) = \sqrt{x(1-x)} \sin(2.1\pi/(x + 0.05)) + \varepsilon_6,$$

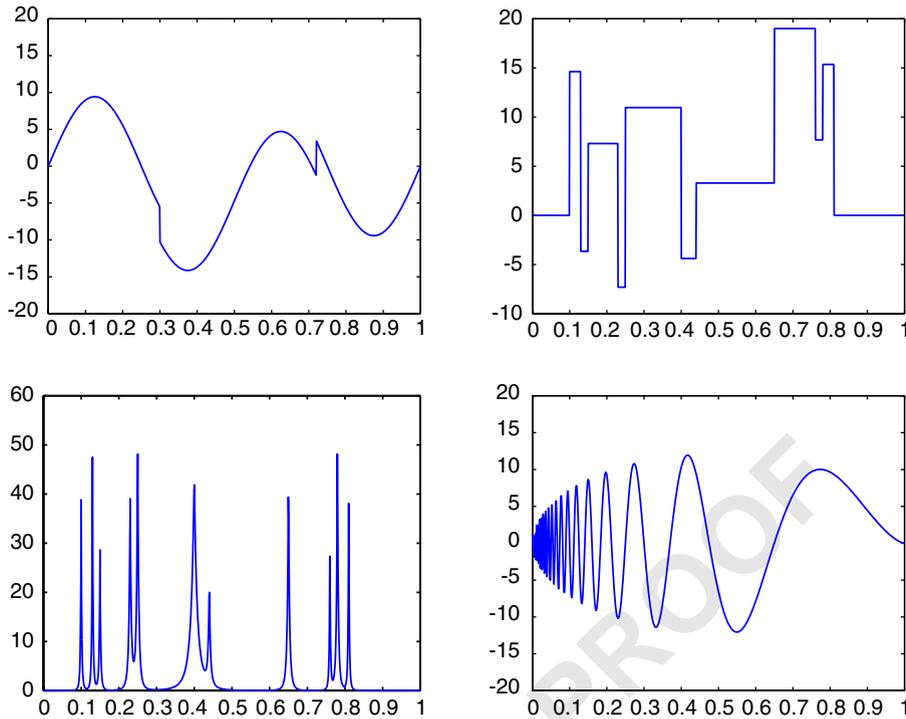


Fig. 4. The four simulated functions used to compare the proposed method: Heavisine, Blocks, Bumps and Doppler.

1 where  $x_j = \{0.1, 0.13, 0.15, 0.23, 0.25, 0.4, 0.44, 0.65, 0.76, 0.78, 0.81\}$ ,  $h_j^{(1)} = \{4, 5, 3,$   
 4, 5, 4.2, 2.1, 4.3, 3.1, 5.1, 4.2},  $h_j^{(2)} = \{4, -5, 3, -4, 5, -4.2, 2.1, 4.3, -3.1, 5.1, -4.2\}$   
 3 and  $w_j = \{0.005, 0.005, 0.006, 0.01, 0.01, 0.03, 0.01, 0.01, 0.005, 0.008, 0.005\}$ . These  
 functions are standardized to  $Var(f) = 7^2$ . The errors are generated by  $\varepsilon_i \sim N(0, \sigma^2)$ ,  
 5 where  $\sigma^2$  is chosen so that the root of the signal-noise ratio ( $RSNR = \sqrt{\frac{var(f)}{\sigma^2}}$ ) are 3, 5, 7  
 and 10. The simulation are based on 1000 points. The four simulated functions are showed  
 7 in Fig. 4.

In the tables the mean of the squared errors,  $MSE = \frac{1}{n} \sum_{i=1}^n (\widehat{m}(x_i) - m(x_i))^2$ , is presented  
 9 with  $\widehat{m}(x_i)$  computed by eight different procedures. BMA1 and BMA2 both use the method  
 proposed in Sections 2 and 3 of this paper with 1 and 2 iterations, respectively. This iterations  
 11 are made as explained in Section 2, that is, the predicted value obtained in the first application  
 of the procedure is used as data in the second application of the procedure. LB1, LB3, LT1  
 13 and LT3 use the loess method as proposed by Cleveland (1979). LB1 and LB3 with a  
 bisquare weight function,  $B(x) = (1 - x^2)^2$  for  $|x| < 1$ , and polynomial of degrees  $d = 1$   
 15 or  $d = 3$ , respectively and LT1 and LT3 with the tricube kernel,  $T(x) = (1 - |x|^3)^3$ , and  
 again degrees 1 and 3, respectively. In both kernels  $x$  is rescaled by  $(x - x_i)/h_i$  where  $h_i$   
 17 is the distance  $|x - x_i|$  from  $x$  to the  $r$ th nearest neighbor. Finally, BARS is the approach  
 of DiMatteo et al. (2001). We also include a column with the number of knots (mean and

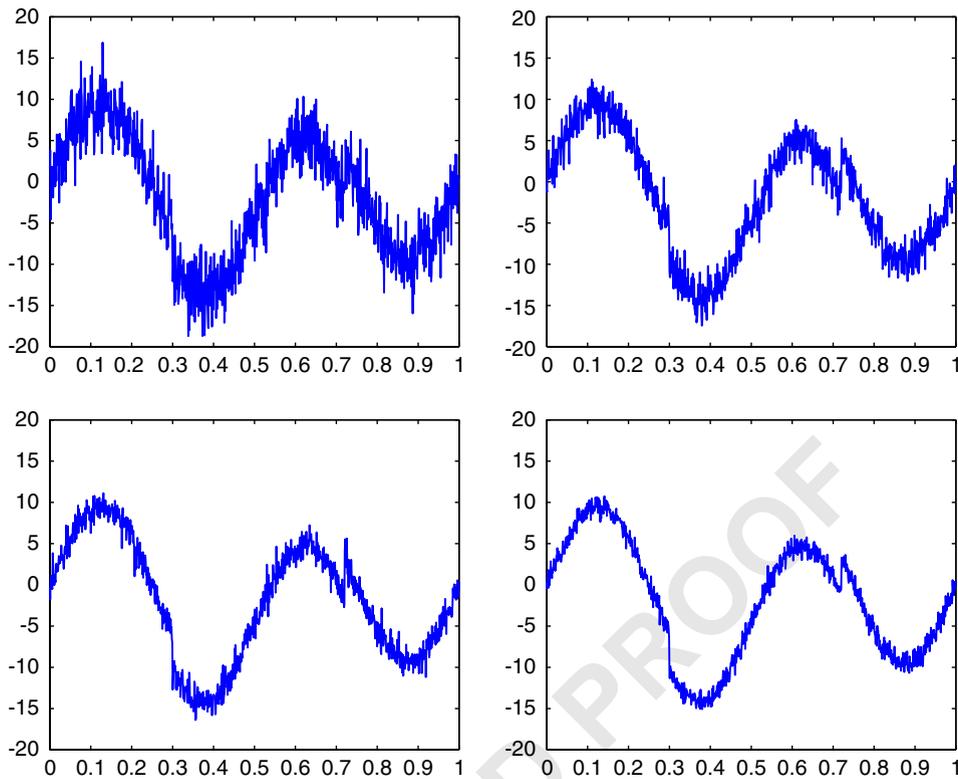


Fig. 5. Heavisine function with different root of signal-noise ratio: 3, 5, 7, 10.

1 standard error) used to fit the curve by this last procedure. The results are the mean of  
 1000 replications. The simulated curves with the four levels of root signal-to-noise ratio,  
 3 RSNR = {3, 5, 7, 10}, are shown in Figs. 5–8.

5 Table 1 shows the mean and the standard deviation, in small letter size, of the MSE of the  
 1000 replications of the function Heavisine. We can observe that when the ratio signal-to-  
 noise is small, RSNR = 3, the smallest MSE is obtained by BMA2, the proposed method  
 7 with two iterations of the algorithm, but when this ratio increases the best performance is  
 obtained by BARS, which uses between 9 and 13.5 knots to fit the curve. The number of  
 9 knots grows when the RSNR grows. With regards to the loess method, the bisquare kernel  
 is slightly better than the tricube, and the linear fit works better than the cubic fit.

11 Table 2 shows the result obtained for the function Blocks. The results are similar to  
 the previous ones. When the signal-to-noise ratio is small, RSNR = 3, BMA2, the second  
 13 iteration of the proposed algorithm, has the best performance. However, when this ratio  
 increases the best results are obtained by BARS. Again for the loess procedure the linear  
 15 fit is better than the cubic and the bisquare kernel slightly better than the tricube. We also  
 observe that although the Blocks function presents eleven discontinuity points, and it is  
 17 constant between them, the BARS procedure uses 50 knots for the highest level of RSNR,

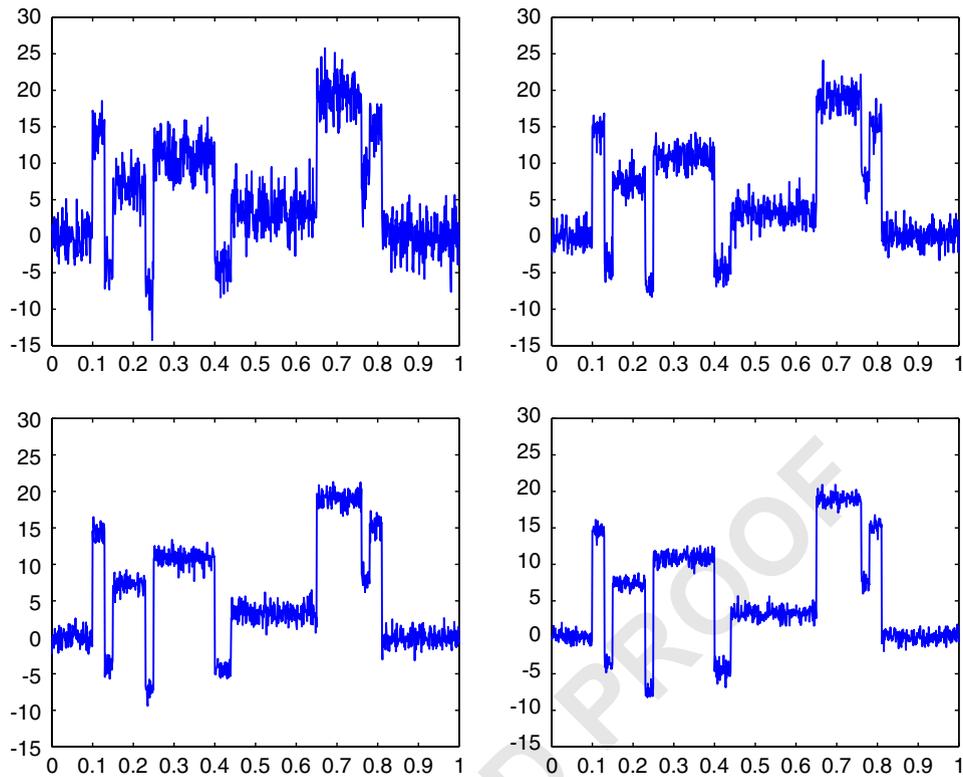


Fig. 6. Blocks function with different root of signal-noise ratio: 3, 5, 7, 10.

Table 1

MSE obtained for the Heavisine data with four different signal-to-noise ratio

RSNR	BMA1	BMA2	LB1	LB3	LT1	LT3	BARS	#Knots
3	0.2869 0.0445	0.2634 0.0443	0.2709 0.0437	0.3690 0.0544	0.2745 0.0436	0.3739 0.0548	0.3210 0.0821	9.09 1.06
5	0.1566 0.0183	0.1458 0.0173	0.1629 0.0173	0.2264 0.0409	0.1653 0.0172	0.2249 0.0371	0.0992 0.0267	12.05 0.78
7	0.1075 0.0108	0.1016 0.0095	0.1137 0.0092	0.1411 0.0160	0.1160 0.0093	0.1411 0.0143	0.0449 0.0153	13.06 0.45
10	0.0748 0.0060	0.0707 0.0051	0.0791 0.0050	0.1279 0.0093	0.0809 0.0050	0.1464 0.0169	0.0224 0.0064	13.49 0.58

The procedures compared are the proposed BMA with 1 and 2 iterations (BMA1 and BMA2), four implementation of loess (LB1, LB2, LT1, LT3) and the free-knots splines BARS.

- 1 RSNR = 10. For the functions Bumps and Doppler (see Tables 3 and 4 ) the results are different as now in all cases the best results are obtained by the BARS procedure. In these
- 3 cases, the BMA1, the first iteration of the algorithm presents better results than BMA2. This is not surprising as these functions are not smooth and a second iteration smooths the picks,

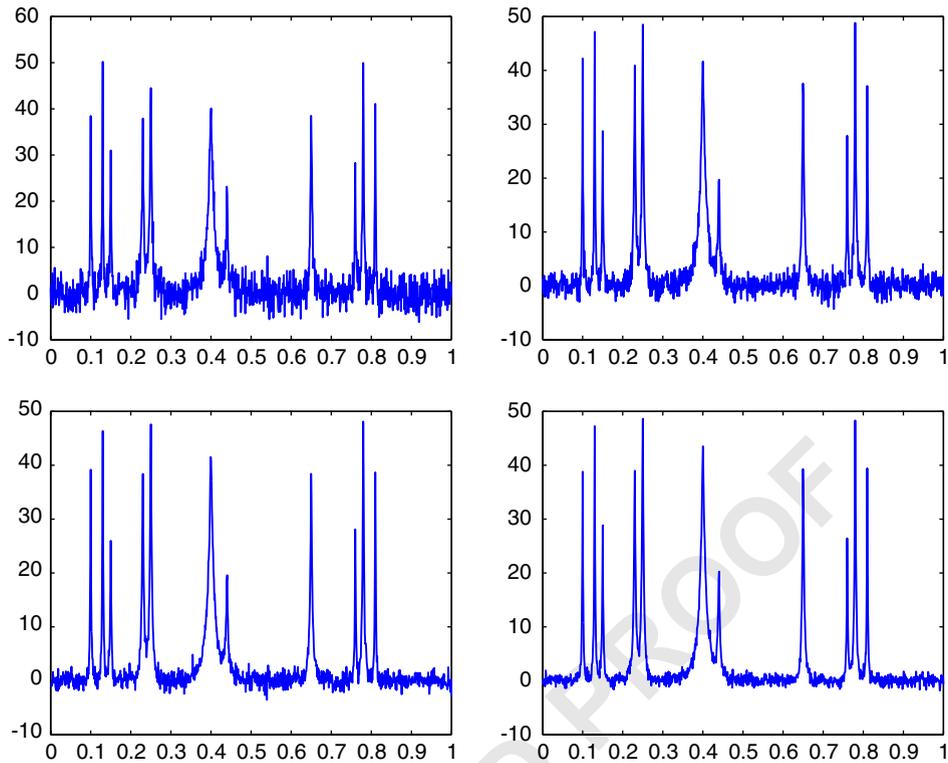


Fig. 7. Bumps function with different root of signal-noise ratio: 3, 5, 7, 10.

Table 2

MSE obtained for the Blocks data with four different signal-to-noise ratio

RSNR	BMA1	BMA2	LB1	LB3	LT1	LT3	BARS	#Knots
3	2.0494 0.0907	1.9042 0.0808	2.0050 0.0811	2.2307 0.0767	2.0674 0.0811	2.2730 0.0769	2.3972 0.3352	26.41 2.35
5	1.6817 0.0509	1.5643 0.0379	1.6366 0.0376	1.8625 0.0324	1.7019 0.0377	1.9003 0.0325	1.3003 0.4955	34.06 5.88
7	1.5821 0.0356	1.4763 0.0232	1.5405 0.0237	1.7673 0.0196	1.6068 0.0238	1.8043 0.0199	0.6827 0.6269	43.31 9.43
10	1.5271 0.0251	1.4278 0.0151	1.4879 0.0155	1.7148 0.0117	1.5548 0.0155	1.7512 0.0116	0.3791 0.5820	51.07 10.51

The procedures compared are the proposed BMA with 1 and 2 iterations (BMA1 and BMA2), four implementation of loess (LB1, LB2, LT1, LT3) and the free-knots splines BARS.

- 1 for the bumps data, or the extremes, for the Doppler data. With regards to loess the results
- 3 are the same as before: the linear fit with the bisquare kernel has the best performance. Also,
- 5 we can observe that for the wiggly curve (see Tables 2 and 3), the BARS method uses a large quantity of knots, and this may be the reason for the huge standard deviation of the estimated MSE for the blocks and bumps functions.

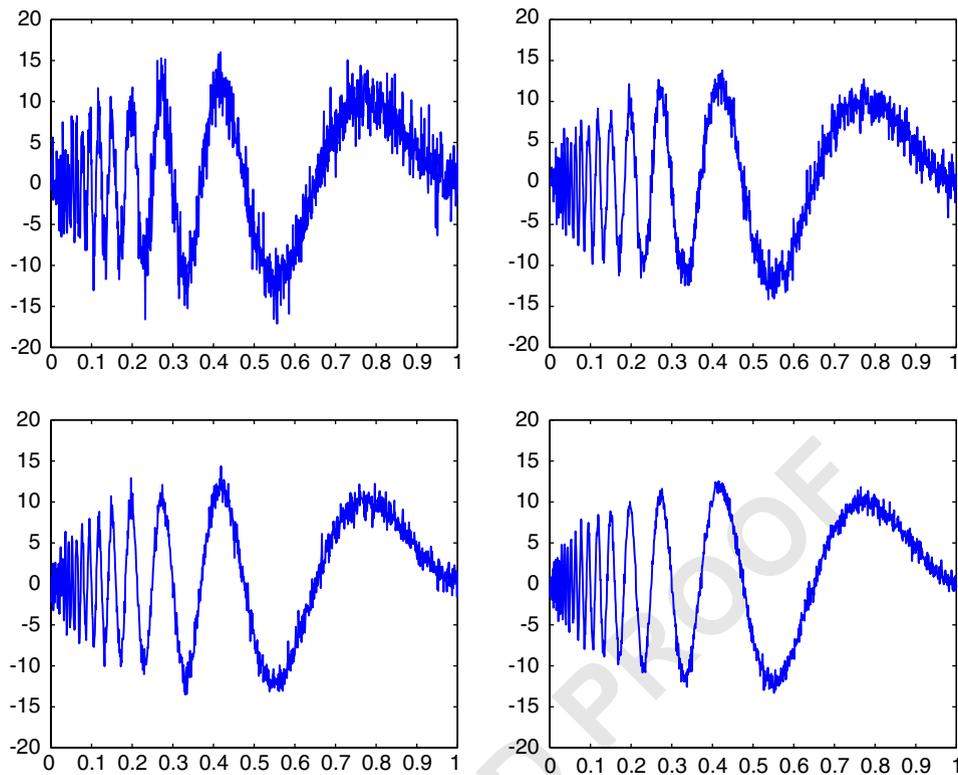


Fig. 8. Doppler function with different root of signal-noise ratio: 3, 5, 7, 10.

Table 3

MSE obtained for the Bumps data with four different signal-to-noise ratio

RSNR	BMA1	BMA2	LB1	LB3	LT1	LT3	BARS	#Knots
3	6.6577	6.7748	6.8940	8.3255	7.2484	8.5622	4.2794	49.93
	0.2094	0.1491	0.1297	0.1136	0.1288	0.1144	4.5466	14.20
5	6.2017	6.3904	6.5223	7.9670	6.8808	8.2016	3.4574	56.10
	0.1294	0.0862	0.0718	0.0608	0.0717	0.0615	4.7053	17.53
7	6.0877	6.3014	6.4385	7.8787	6.7981	8.1110	2.4413	63.35
	0.0913	0.0611	0.0511	0.0438	0.0510	0.0446	4.2878	18.16
10	6.0097	6.2435	6.3788	7.8223	6.7384	8.0543	2.4897	66.95
	0.0630	0.0383	0.0335	0.0295	0.0332	0.0300	4.7674	20.19

The procedures compared are the proposed BMA with 1 and 2 iterations (BMA1 and BMA2), four implementation of loess (LB1, LB2, LT1, LT3) and the free-knots splines BARS.

#### 1 4.2. Simulation with outliers

3 To show the behavior of the method when there are outliers in the sample, we repeat the simulation for the first two functions of the previous section, Heavisine and Blocks, but now

Table 4  
MSE obtained for the Doppler data with four different signal-to-noise ratio

RSNR	BMA1	BMA2	LB1	LB3	LT1	LT3	BARS	#Knots
3	1.0856	1.1069	1.2312	1.3782	1.2655	1.4068	0.7952	23.95
	0.0809	0.0765	0.0815	0.0832	0.0814	0.0838	0.1533	1.84
5	0.7284	0.8025	0.8713	1.0230	0.9085	1.0476	0.3514	30.28
	0.0349	0.0308	0.0355	0.0332	0.0354	0.0336	0.0643	1.94
7	0.6284	0.7155	0.7701	0.9213	0.8078	0.9446	0.2053	35.16
	0.0215	0.0193	0.0250	0.0203	0.0248	0.0200	0.0395	2.36
10	0.5717	0.6693	0.7187	0.8695	0.7569	0.8921	0.0993	41.19
	0.0137	0.0116	0.0157	0.0125	0.0156	0.0125	0.0160	2.51

The procedures compared are the proposed BMA with 1 and 2 iterations (BMA1 and BMA2), four implementation of loess (LB1, LB2, LT1, LT3) and the free-knots splines BARS.

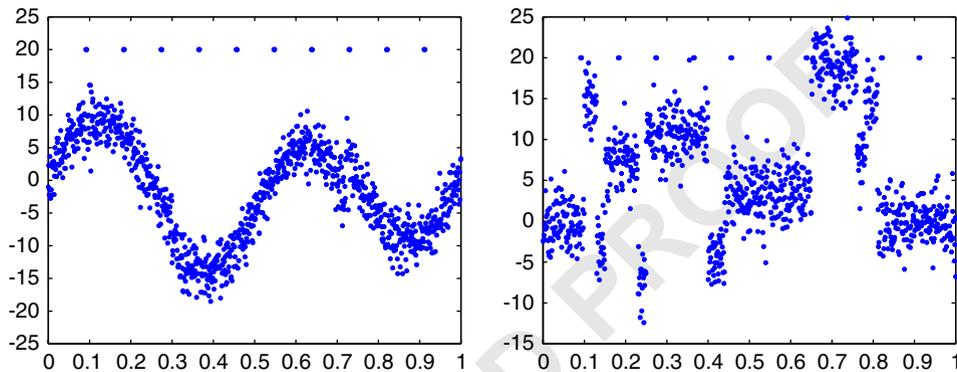


Fig. 9. A replication of the simulated outliers with RSNR = 3.

Table 5  
MSE obtained for the Heavisine data with outliers

RSNR	BMA1	BMA2	LB1	LB3	BARS	#Knots
3	3.0956	1.1771	24.3396	7.6680	5.5503	15.80
	0.2893	0.1431	4.4235	2.6390	3.3667	1.17
5	2.6917	1.1110	46.2537	20.3535	8.8345	25.89
	0.2412	0.1061	3.5707	3.2370	3.5595	1.59
7	2.4896	1.0880	53.5682	27.9767	10.7109	31.97
	0.1753	0.0768	2.6243	2.6776	3.1900	1.25
10	2.2456	1.0371	57.0434	31.6018	11.3895	33.85
	0.1420	0.0605	1.7318	2.2795	3.0064	0.98

1 adding 3% of outliers. They have been added in groups of three consecutive outliers equal-  
 3 spaced in the interval  $[0,1]$  and always with  $y = 20$ . One sample of the data configuration  
 5 obtained with this distribution of the outliers and with a RSNR = 3 is presented in Fig. 9.

The results obtained in the comparison of the methods are shown in Tables 5 and 6. The  
 5 methods included are the proposed procedure, BMA1 and BMA2, the loess method with  
 bisquare kernel and polynomial degrees 1 and 3, LB1 and LB3, and the BARS method. We

Table 6  
MSE obtained for the Blocks data with outliers

RSRN	BMA1	BMA2	LB1	LB3	BARS	#Knots
3	4.0725 0.1504	4.1641 0.1391	6.6320 0.2058	6.2982 0.4627	5.1663 0.7927	36.51 1.55
5	3.7817 0.1200	3.9714 0.1043	9.3803 0.5900	5.4019 0.1845	5.7939 0.9939	51.66 1.95
7	3.6300 0.0843	3.8811 0.0688	13.5658 0.7973	5.6632 0.7042	6.1844 0.9925	63.59 1.95
10	3.5143 0.0491	3.8182 0.0445	17.9794 0.6079	5.8036 0.2424	6.3139 0.8695	67.62 1.67

1 have not included in this table the loess method with kernel tricube, LT1 and LT3, because  
 2 of their bad results. These results illustrate the danger of using a model based approach,  
 3 such as BARS, blindly when there are outliers in the sample. The first conclusion from  
 4 Tables 5 and 6 is that the performance of the BARS method, as it can be expected, is now  
 5 much worse than before, and this procedure seems to be very sensitive to outliers. Both the  
 6 proposed procedure and the loess method include some robust estimation and thus although  
 7 their MSE increases for the larger variability due to the outliers, they are much less affected  
 8 by it than the BARS method. For both functions, Heavisine and Blocks, the best result are  
 9 obtained by BMA2, the second iteration of the proposed algorithm. We can observed that,  
 10 when the RSNR grows, the MSE increases for the BARS method. This is due to the fact that  
 11 when the residual noise decreases, the outliers have a larger relative size and their effect  
 12 in introducing biased in the estimation of the curve increases. This effect also appears in  
 13 general in loess, although more in the Heavisine function than in the Blocks function. On  
 14 the other hand, with the proposed procedure the MSE decreases with the variance of the  
 15 noise, as it should be for a robust procedure which is able to identify and downweight the  
 outliers.

## 17 5. Concluding remarks

19 In this article a new method for fitting a curve by local polynomials is proposed. It  
 20 introduces more flexibility in the local fitting by using BMA, and robustness by using  
 21 mixtures of normals for the noise. The proposed method is simple to apply and to programme  
 and completely automatic. We have shown in a Monte Carlo study that this method works  
 better than others of similar computational complexity.

23 The main ideas of the method can be generalized to vector valued regressors  $\mathbf{x} \in R^p$  in  
 24 a straightforward way. First, we need to define a neighborhood in the space of independent  
 25 variables and a distance function. Second, to avoid the curse of dimensionality problem,  
 26 we have to control the number of parameters of the surface when  $p$  increases so that the  
 27 number of parameters are a small fraction of the sample size. This can be done in a number  
 of ways. The first is to assume an additive mode (see [Hastie and Tibshirani, 1990](#)), in order  
 29 to reduce the  $p$  dimensional function  $m(\mathbf{x})$  to a sum of  $p$  univariate functions in which the  
 linear effects enter independently into the model. See [Gustafson \(2000\)](#) for some Bayesian  
 31 generalizations of this approach. A second alternative is to use regression trees, as in the  
 Treed procedure (see [Alexander and Grimshaw, 1996](#)) in which the sample is divided using a

1 variable at each step. A third alternative is to use index models, in which  $m(\mathbf{x})$  is written as  
 2 a sum of functions of some index or components variables  $z_i = \mathbf{g}_i^T \mathbf{x}$ . Finally, a fourth possibility  
 3 is to use projection pursuit regression (Friedman and Stuetzle, 1981). The extension of this  
 4 approach comparing these alternative ways to avoid the curse of dimensionality will be the  
 5 subject of further research.

### Acknowledgements

We acknowledge support from Grant BEC2000-0167, MCYT, Spain.

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