

Package ‘ald’

June 6, 2016

Type Package

Title The Asymmetric Laplace Distribution

Version 1.1

Date 2016-06-05

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Description It provides the density, distribution function, quantile function, random number generator, likelihood function, moments and Maximum Likelihood estimators for a given sample, all this for the three parameter Asymmetric Laplace Distribution defined in Koenker and Machado (1999). This is a special case of the skewed family of distributions available in Galarza (2016) <<http://www.ime.unicamp.br/sites/default/files/rp07-16.pdf>> useful for quantile regression.

License GPL (>= 2)

Suggests lqr

NeedsCompilation no

Repository CRAN

Date/Publication 2016-06-06 08:22:31

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ald-package

The Asymmetric Laplace Distribution

Description

It provides the density, distribution function, quantile function, random number generator, likelihood function, moments and Maximum Likelihood estimators for a given sample, all this for the three parameter Asymmetric Laplace Distribution defined in Koenker and Machado (1999) useful for quantile regression.

Details

Package: ald
Type: Package
Version: 1.0
Date: 2015-01-27
License: GPL (>=2)

Author(s)

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References

Koenker, R., Machado, J. (1999). Goodness of fit and related inference processes for quantile regression. *J. Amer. Statist. Assoc.* 94(3):1296-1309.

Yu, K. & Moyeed, R. (2001). Bayesian quantile regression. *Statistics & Probability Letters*, 54(4), 437-447.

Yu, K., & Zhang, J. (2005). A three-parameter asymmetric Laplace distribution and its extension. *Communications in Statistics-Theory and Methods*, 34(9-10), 1867-1879.

See Also

[ALD,momentsALD,likALD,mleALD](#)

Examples

```
## Let's plot an Asymmetric Laplace Distribution!  
  
##Density  
sseq = seq(-40,80,0.5)  
dens = dALD(y=sseq,mu=50,sigma=3,p=0.75)  
plot(sseq,dens,type="l",lwd=2,col="red",xlab="x",ylab="f(x)", main="ALD Density function")
```

```

## Distribution Function
df = pALD(q=sseq,mu=50,sigma=3,p=0.75)
plot(sseq,df,type="l",lwd=2,col="blue",xlab="x",ylab="F(x)", main="ALD Distribution function")
abline(h=1,lty=2)

##Inverse Distribution Function
prob = seq(0,1,length.out = 1000)
idf = qALD(prob=prob,mu=50,sigma=3,p=0.75)
plot(prob,idf,type="l",lwd=2,col="gray30",xlab="x",ylab=expression(F^{-1}~(x)))
title(main="ALD Inverse Distribution function")
abline(v=c(0,1),lty=2)

#Random Sample Histogram
sample = rALD(n=10000,mu=50,sigma=3,p=0.75)
hist(sample,breaks = 70,freq = FALSE,ylim=c(0,max(dens)),main="")
title(main="Histogram and True density")
lines(sseq,dens,col="red",lwd=2)

## Let's compute the MLE's

param = c(-323,40,0.9)
y = rALD(10000,mu = param[1],sigma = param[2],p = param[3]) #A random sample
res = mleALD(y)

#Comparing
cbind(param,res$par)

#Let's plot

seqq = seq(min(y),max(y),length.out = 1000)
dens = dALD(y=seqq,mu=res$par[1],sigma=res$par[2],p=res$par[3])
hist(y,breaks=50,freq = FALSE,ylim=c(0,max(dens)))
lines(seqq,dens,type="l",lwd=2,col="red",xlab="x",ylab="f(x)", main="ALD Density function")

```

Description

Density, distribution function, quantile function and random generation for a Three-Parameter Asymmetric Laplace Distribution defined in Koenker and Machado (1999) useful for quantile regression with location parameter equal to μ , scale parameter σ and skewness parameter p . This is a special case of the skewed family of distributions in Galarza (2016) available in [SKD](#).

Usage

```

dALD(y, mu = 0, sigma = 1, p = 0.5)
pALD(q, mu = 0, sigma = 1, p = 0.5, lower.tail = TRUE)

```

```
qALD(prob, mu = 0, sigma = 1, p = 0.5, lower.tail = TRUE)
rALD(n, mu = 0, sigma = 1, p = 0.5)
```

Arguments

<code>y, q</code>	vector of quantiles.
<code>prob</code>	vector of probabilities.
<code>n</code>	number of observations.
<code>mu</code>	location parameter.
<code>sigma</code>	scale parameter.
<code>p</code>	skewness parameter.
<code>lower.tail</code>	logical; if TRUE (default), probabilities are $P[X \leq x]$ otherwise, $P[X > x]$.

Details

If `mu`, `sigma` or `p` are not specified they assume the default values of 0, 1 and 0.5, respectively, belonging to the Symmetric Standard Laplace Distribution denoted by $ALD(0, 1, 0.5)$.

As discussed in Koenker and Machado (1999) and Yu and Moyeed (2001) we say that a random variable Y is distributed as an ALD with location parameter μ , scale parameter $\sigma > 0$ and skewness parameter p in $(0,1)$, if its probability density function (pdf) is given by

$$f(y|\mu, \sigma, p) = \frac{p(1-p)}{\sigma} \exp -\rho_p\left(\frac{y-\mu}{\sigma}\right)$$

where $\rho_p(\cdot)$ is the so called check (or loss) function defined by

$$\rho_p(u) = u(p - I_{u < 0})$$

, with I denoting the usual indicator function. This distribution is denoted by $ALD(\mu, \sigma, p)$ and its p -th quantile is equal to μ .

The scale parameter `sigma` must be positive and non zero. The skew parameter `p` must be between zero and one ($0 < p < 1$).

Value

`dALD` gives the density, `pALD` gives the distribution function, `qALD` gives the quantile function, and `rALD` generates a random sample.

The length of the result is determined by `n` for `rALD`, and is the maximum of the lengths of the numerical arguments for the other functions `dALD`, `pALD` and `qALD`.

Note

The numerical arguments other than `n` are recycled to the length of the result.

Author(s)

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References

Galarza, C.M., Lachos, V.H., Cabral, C.R.B. and Castro, L.M. (2016). Robust Quantile Regression using a Generalized Class of Skewed Distributions. Technical Report 7, Universidade Estadual de Campinas. <http://www.ime.unicamp.br/sites/default/files/rp07-16.pdf>

Yu, K., & Zhang, J. (2005). A three-parameter asymmetric Laplace distribution and its extension. Communications in Statistics-Theory and Methods, 34(9-10), 1867-1879.

See Also

[SKD](#), [momentsALD](#), [likALD](#), [mleALD](#)

Examples

```
## Let's plot an Asymmetric Laplace Distribution!

##Density
library(ald)
sseq = seq(-40,80,0.5)
dens = dALD(y=sseq,mu=50,sigma=3,p=0.75)
plot(sseq,dens,type = "l",lwd=2,col="red",xlab="x",ylab="f(x)", main="ALD Density function")

#Look that is an special case of the skewed family in Galarza (2016)
#with sigma_new = 2*sigma
require(lqr)
dens2 = dSKD(y = sseq,mu = 50,sigma = 3*2,p = 0.75,dist = "laplace")
points(sseq,dens2,pch="+",cex=0.75)

## Distribution Function
df = pALD(q=sseq,mu=50,sigma=3,p=0.75)
plot(sseq,df,type="l",lwd=2,col="blue",xlab="x",ylab="F(x)", main="ALD Distribution function")
abline(h=1,lty=2)

##Inverse Distribution Function
prob = seq(0,1,length.out = 1000)
idf = qALD(prob=prob,mu=50,sigma=3,p=0.75)
plot(prob,idf,type="l",lwd=2,col="gray30",xlab="x",ylab=expression(F^{-1}~(x)))
title(main="ALD Inverse Distribution function")
abline(v=c(0,1),lty=2)

#Random Sample Histogram
sample = rALD(n=10000,mu=50,sigma=3,p=0.75)
hist(sample,breaks = 70,freq = FALSE,ylim=c(0,max(dens)),main="")
title(main="Histogram and True density")
lines(sseq,dens,col="red",lwd=2)
```

Description

Log-Likelihood function for the Three-Parameter Asymmetric Laplace Distribution defined in Koenker and Machado (1999) useful for quantile regression with location parameter equal to μ , scale parameter σ and skewness parameter p .

Usage

```
likALD(y, mu = 0, sigma = 1, p = 0.5, loglik = TRUE)
```

Arguments

<code>y</code>	observation vector.
<code>mu</code>	location parameter μ .
<code>sigma</code>	scale parameter σ .
<code>p</code>	skewness parameter p .
<code>loglik</code>	logical; if TRUE (default), the Log-likelihood is return, if not just the Likelihood.

Details

If `mu`, `sigma` or `p` are not specified they assume the default values of 0, 1 and 0.5, respectively, belonging to the Symmetric Standard Laplace Distribution denoted by $ALD(0, 1, 0.5)$.

As discussed in Koenker and Machado (1999) and Yu and Moyeed (2001) we say that a random variable Y is distributed as an ALD with location parameter μ , scale parameter $\sigma > 0$ and skewness parameter p in $(0,1)$, if its probability density function (pdf) is given by

$$f(y|\mu, \sigma, p) = \frac{p(1-p)}{\sigma} \exp -\rho_p\left(\frac{y-\mu}{\sigma}\right)$$

where $\rho_p(\cdot)$ is the so called check (or loss) function defined by

$$\rho_p(u) = u(p - I_{u < 0})$$

, with I , denoting the usual indicator function. Then the Log-likelihood function is given by

$$\sum_{i=1}^n \log\left(\frac{p(1-p)}{\sigma} \exp -\rho_p\left(\frac{y_i - \mu}{\sigma}\right)\right)$$

The scale parameter `sigma` must be positive and non zero. The skew parameter `p` must be between zero and one ($0 < p < 1$).

Value

`likeALD` returns the Log-likelihood by default and just the Likelihood if `loglik = FALSE`.

Author(s)

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References

- Koenker, R., Machado, J. (1999). Goodness of fit and related inference processes for quantile regression. *J. Amer. Statist. Assoc.* 94(3):1296-1309.
- Yu, K. & Moyeed, R. (2001). Bayesian quantile regression. *Statistics & Probability Letters*, 54(4), 437-447.
- Yu, K., & Zhang, J. (2005). A three-parameter asymmetric Laplace distribution and its extension. *Communications in Statistics-Theory and Methods*, 34(9-10), 1867-1879.

See Also

[ALD,momentsALD,mleALD](#)

Examples

```
## Let's compute the log-likelihood for a given sample

y = rALD(n=1000)
loglik = likALD(y)

#Changing the true parameters the loglik must decrease
loglik2 = likALD(y,mu=10,sigma=2,p=0.3)

loglik;loglik2
if(loglik>loglik2){print("First parameters are Better")}
```

mleALD	<i>Maximum Likelihood Estimators (MLE) for the Asymmetric Laplace Distribution</i>
--------	--

Description

Maximum Likelihood Estimators (MLE) for the Three-Parameter Asymmetric Laplace Distribution defined in Koenker and Machado (1999) useful for quantile regression with location parameter equal to μ , scale parameter σ and skewness parameter p .

Usage

```
mleALD(y, initial = NA)
```

Arguments

`y` observation vector.

`initial` optional vector of initial values $c(\mu, \sigma, p)$.

Details

The algorithm computes iteratively the MLE's via the combination of the MLE expressions for μ and σ , and then maximizing with respect to p the Log-likelihood function (likALD) using the well known optimize R function. By default the tolerance is 10^{-5} for all parameters.

Value

The function returns a list with two objects

iter	iterations to reach convergence.
par	vector of Maximum Likelihood Estimators.

Author(s)

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References

Yu, K., & Zhang, J. (2005). A three-parameter asymmetric Laplace distribution and its extension. Communications in Statistics-Theory and Methods, 34(9-10), 1867-1879.

See Also

[ALD](#), [momentsALD](#), [likALD](#)

Examples

```
## Let's try this function

param = c(-323,40,0.9)
y = rALD(10000,mu = param[1],sigma = param[2],p = param[3]) #A random sample
res = mleALD(y)

#Comparing
cbind(param,res$par)

#Let's plot

seqq = seq(min(y),max(y),length.out = 1000)
dens = dALD(y=seqq,mu=res$par[1],sigma=res$par[2],p=res$par[3])
hist(y,breaks=50,freq = FALSE,ylim=c(0,max(dens)))
lines(seqq,dens,type="l",lwd=2,col="red",xlab="x",ylab="f(x)", main="ALD Density function")
```


Description

Mean, variance, skewness, kurtosis, central moments w.r.t mu and first absolute central moment for the Three-Parameter Asymmetric Laplace Distribution defined in Koenker and Machado (1999) useful for quantile regression with location parameter equal to mu, scale parameter sigma and skewness parameter p.

Usage

```
meanALD(mu=0, sigma=1, p=0.5)
varALD(mu=0, sigma=1, p=0.5)
skewALD(mu=0, sigma=1, p=0.5)
kurtALD(mu=0, sigma=1, p=0.5)
momentALD(k=1, mu=0, sigma=1, p=0.5)
absALD(sigma=1, p=0.5)
```

Arguments

k	moment number.
mu	location parameter μ .
sigma	scale parameter σ .
p	skewness parameter p .

Details

If mu, sigma or p are not specified they assume the default values of 0, 1 and 0.5, respectively, belonging to the Symmetric Standard Laplace Distribution denoted by $ALD(0, 1, 0.5)$.

As discussed in Koenker and Machado (1999) and Yu and Moyeed (2001) we say that a random variable Y is distributed as an ALD with location parameter μ , scale parameter $\sigma > 0$ and skewness parameter p in $(0,1)$, if its probability density function (pdf) is given by

$$f(y|\mu, \sigma, p) = \frac{p(1-p)}{\sigma} \exp -\rho_p\left(\frac{y-\mu}{\sigma}\right)$$

where $\rho_p(\cdot)$ is the so called check (or loss) function defined by

$$\rho_p(u) = u(p - I_{u < 0})$$

, with I denoting the usual indicator function. This distribution is denoted by $ALD(\mu, \sigma, p)$ and it's p th quantile is equal to μ . The scale parameter sigma must be positive and non zero. The skew parameter p must be between zero and one ($0 < p < 1$).

Value

meanALD gives the mean, varALD gives the variance, skewALD gives the skewness, kurtALD gives the kurtosis, momentALD gives the k th central moment, i.e., $E(y - \mu)^k$ and absALD gives the first absolute central moment denoted by $E|y - \mu|$.

Author(s)

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References

Koenker, R., Machado, J. (1999). Goodness of fit and related inference processes for quantile regression. *J. Amer. Statist. Assoc.* 94(3):1296-1309.

Yu, K. & Moyeed, R. (2001). Bayesian quantile regression. *Statistics & Probability Letters*, 54(4), 437-447.

Yu, K., & Zhang, J. (2005). A three-parameter asymmetric Laplace distribution and its extension. *Communications in Statistics-Theory and Methods*, 34(9-10), 1867-1879.

See Also

[ALD,likALD,mleALD](#)

Examples

```
## Let's compute some moments for a Symmetric Standard Laplace Distribution.

#Third raw moment
momentALD(k=3,mu=0,sigma=1,p=0.5)

#The well known mean, variance, skewness and kurtosis
meanALD(mu=0,sigma=1,p=0.5)
varALD(mu=0,sigma=1,p=0.5)
skewALD(mu=0,sigma=1,p=0.5)
kurtALD(mu=0,sigma=1,p=0.5)

# and this guy
absALD(sigma=1,p=0.5)
```

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