To estimate a Regression equation, start with the QUICK MENU (figure 4) and choose

**Estimate Equation.**

If the equations to be estimated is:

\[ Y_i = \beta_0 + \beta_1 X_i + \epsilon_i \]

Enter in the box,

\[ Y \ C \ X \]

where C indicates to *EViews* to include a regression constant. The equation entered in the box estimates the federal funds rate as a function of the discount rate.

Figure 23 show standard *EViews* regression output. This is called the **Regression box**.

The PRINT button on the regression box toolbar will send the regression results to the printer.

Note date and time are included.

The name button will store the equation in the workfile.
The **Resids** button on the regression box toolbar will generate time series graph of the actual and fitted(predicted) values and regression residuals. The PRINT button on the toolbar will now print this graphic. To get back to the regression results, click on Stats.

The residuals are stored in a series called resid. If you want to use this variable you must calculate a new variable based upon resid.

Use the Quick Menu, choose generate series, and enter a formula such as, err=resid. Now err is a variable that can be used in a regression equation, printed, plotted, etc.