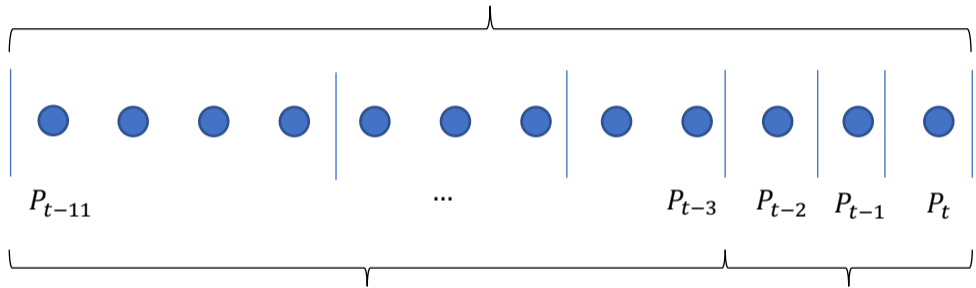


$m = 11$. P_t through P_{t-11} are considered relevant for predicting Y_t . A cut point is placed before P_{t-11} .



$n = 3$. The two cut points are placed in the interval between P_{t-3} and P_{t-11} , such that the lengths of the three intervals defined by the neighboring cut points form an arithmetic sequence. $l = 2$. P_t through P_{t-2} are considered most relevant for predicting Y_t . The cut points are placed around each P_{t-i} .