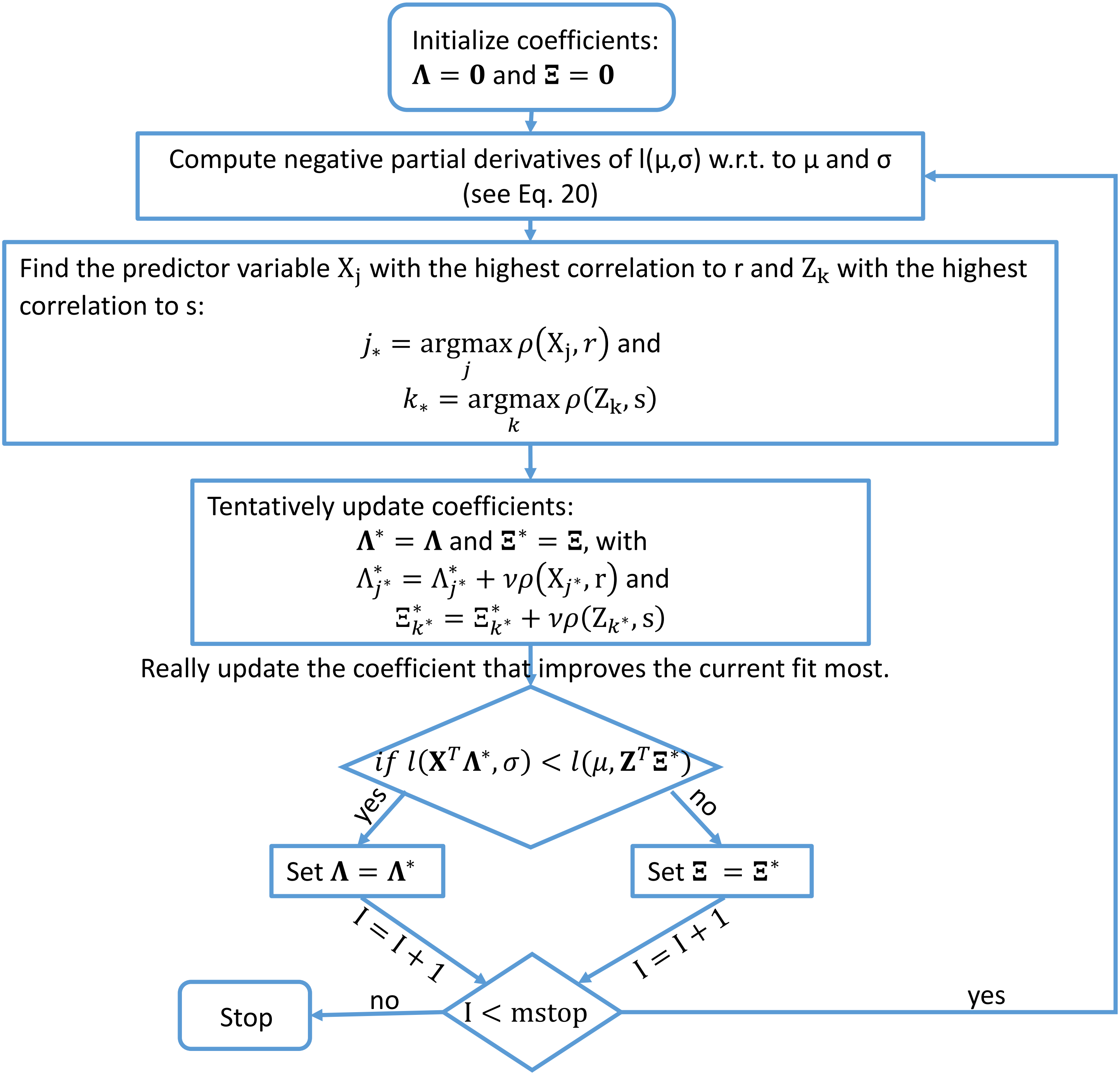
Initialize coefficients:
$\mathbf{\Lambda} = \mathbf{0}$ and $\mathbf{\Xi} = \mathbf{0}$
Compute negative partial derivatives of l(μ,σ) w.r.t. to μ and σ
(see Eq. 20)
Find the predictor variable $\mathrm{X_j}$ with the highest correlation to r and $\mathrm{Z_k}$ with the highest correlation to s:
$j_* = \underset{j}{\operatorname{argmax}}\, \rho(\mathrm{X_j}, r)$ and
$k_* = \underset{k}{\operatorname{argmax}}\, \rho(\mathrm{Z_k}, \mathrm{s})$
Tentatively update coefficients:
$\mathbf{\Lambda}^* = \mathbf{\Lambda}$ and $\mathbf{\Xi}^* = \mathbf{\Xi}$, with
$\Lambda^*_{j^*} = \Lambda^*_{j^*} + \nu\rho(\mathrm{X}_{j^*}, \mathrm{r})$ and
$\Xi^*_{k^*} = \Xi^*_{k^*} + \nu\rho(\mathrm{Z}_{k^*}, \mathrm{s})$
Really update the coefficient that improves the current fit most.
$if\ l(\mathbf{X}^T\mathbf{\Lambda}^*, \sigma) < l(\mu, \mathbf{Z}^T\mathbf{\Xi}^*)$
yes
no
Set $\mathbf{\Lambda} = \mathbf{\Lambda}^*$
Set $\mathbf{\Xi} = \mathbf{\Xi}^*$
$I = I + 1$
$I = I + 1$
$\mathrm{I} < \mathrm{mstop}$
no
yes
Stop