Bocconi

Università Commerciale Luigi Bocconi

Department of Decision Sciences

Statistics Seminar

The predictive density of a GARCH(1,1) process

Thursday, 23rd March 2017

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12:30 pm Room 3-E4-SR03 Via Roentgen 1 Milano

Abstract

We derive the predictive probability density function of a GARCH(1,1) process, under Gaussian or Student-t innovations. The analytic form is novel, and replaces current methods based on approximations and simulations.

(joint work with Karim Abadir and Paolo Paruolo)

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