

For favour of posting

DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Seminar for Confirmation of Candidature

Mr. SHEN Keren

*Department of Statistics and Actuarial Science
The University of Hong Kong*

will give a talk

entitled

**FORECASTING HIGH-DIMENSIONAL REALIZED
VOLATILITY MATRICES USING A FACTOR MODEL**

Abstract

Modeling and forecasting covariance matrices of asset returns play a crucial role in many fields, such as portfolio allocation and asset pricing. The availability of high frequency intraday data enables people to model the realized covariance matrix directly. However, most of models in the literature suffer from the curse of dimensionality. We propose a factor model with a diagonal CAW model fitting to the factor covariance matrices to solve the problem. The number of parameters is reduced significantly and the model maintains a comparable performance with models in the literature.

on

Wednesday, February 11, 2015

4:00 p.m. – 5:00 p.m.

at

Room 301, Run Run Shaw Building

All interested are welcome