

**INSTITUT SAINS MATEMATIK
UNIVERSITI MALAYA
SIRI KOLOKIUUM**

Tajuk: L_1 -GARCH MODELS: PARAMETER ESTIMATIONS,
PERFORMANCE MEASURE AND ITS APPLICATION.

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Abstract

In this talk, we re-examine L_1 -GARCH(q,p) model, formerly introduced by Peng and Yao (2003) in formulating and computing conditional variances. The performance of such model is compared to the ordinary GARCH(q,p) model of Bollerslev (1986). As expected, from theory, GARCH(1,1) is efficient when the white noise is normally distributed. However, this model becomes inefficient when there are violation in the distributional assumption; in such cases, the L_1 -GARCH(1,1) is a better alternative.

We also investigate the sensitivity of classical Jarques-Bera test statistic and introduce some robust techniques that are less sensitive to outliers. Finally, we illustrate the relationship between economic growth and uncertainty of inflation for ASEAN-5 countries using L_1 -ARCH(q) model.

SEMUA DIJEMPUT HADIR