

EC 613: Advanced Topics in Financial Econometrics

Fall 2010

Time Series Examples With R — Part 2: GARCH

Example: This example is about preparing DJI data and fitting a GARCH model.

- a) Prepare the data in file `dji_yahoo.csv`.
- b) Using function `elem.an`, compute daily returns and investigate elementary properties of the return distribution.
- c) Fit a GARCH model to the return series.