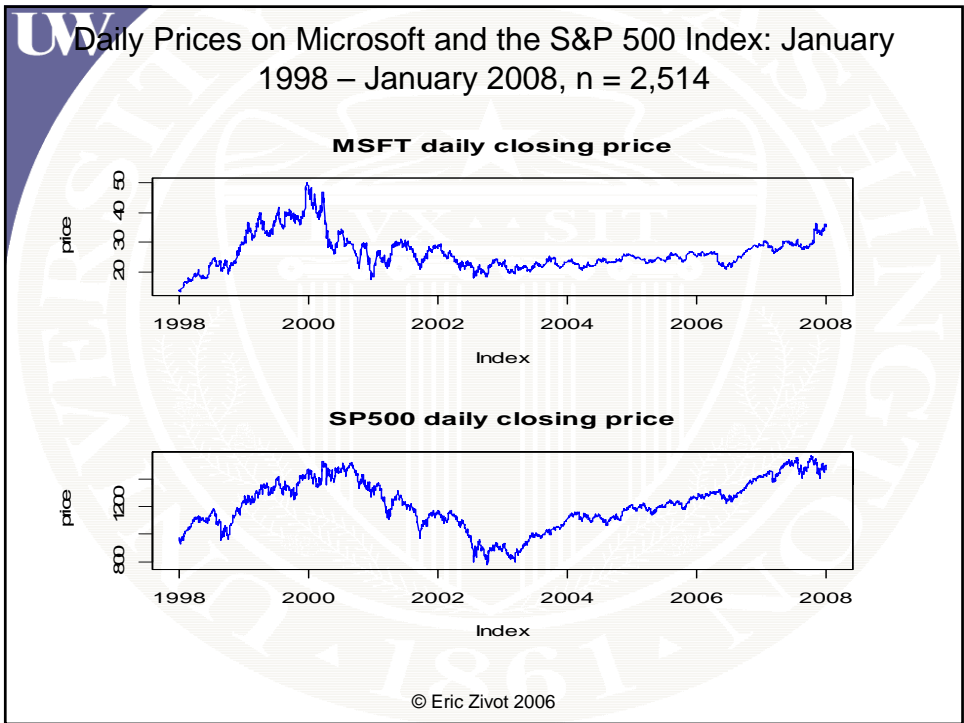


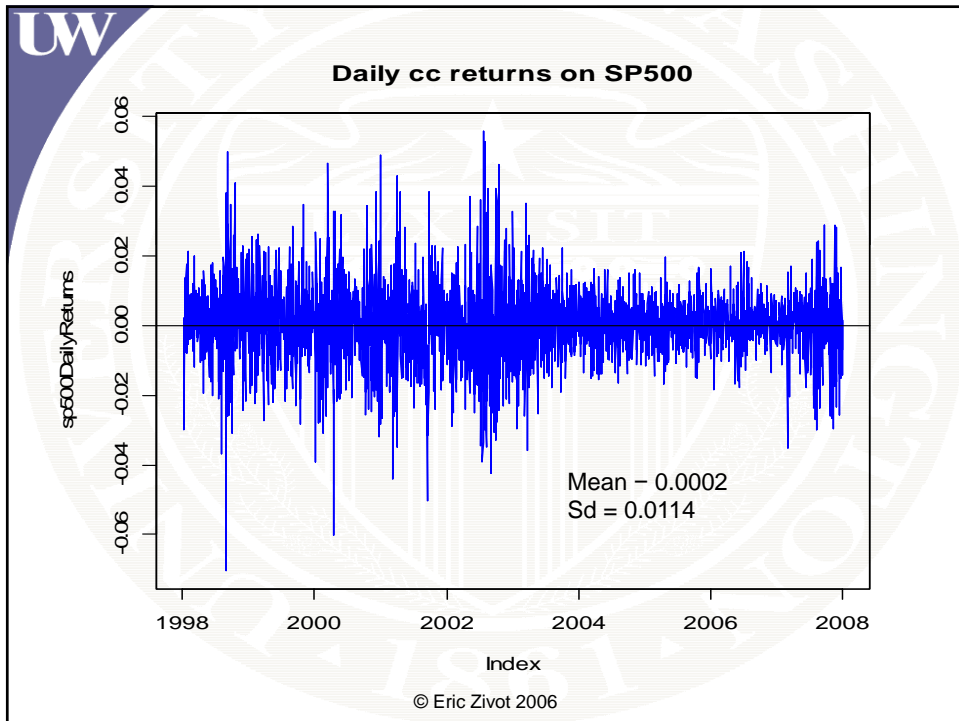
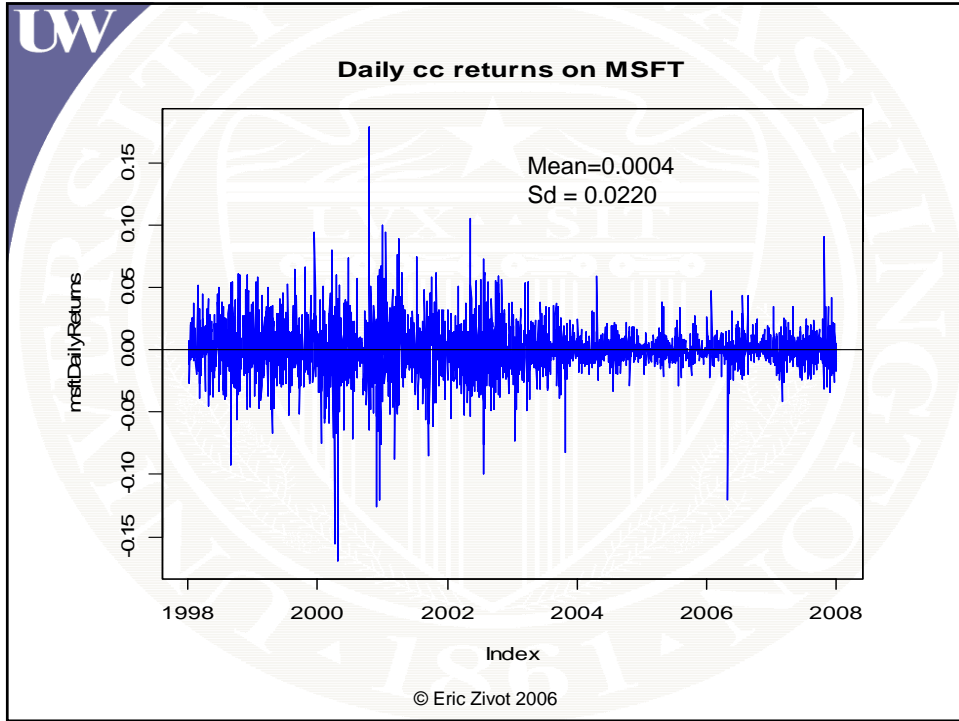
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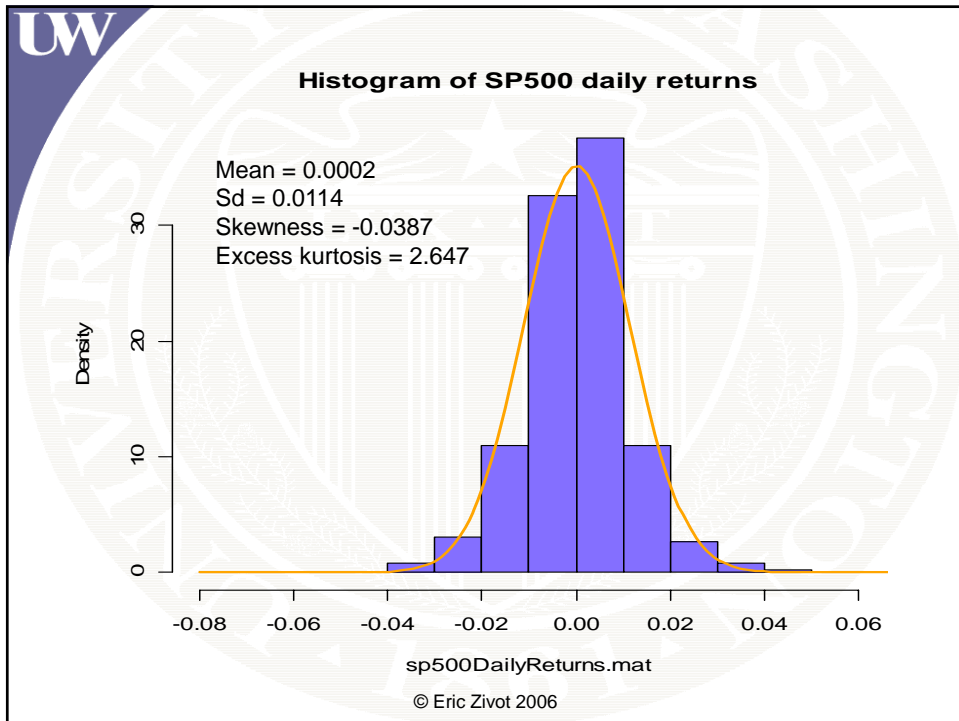
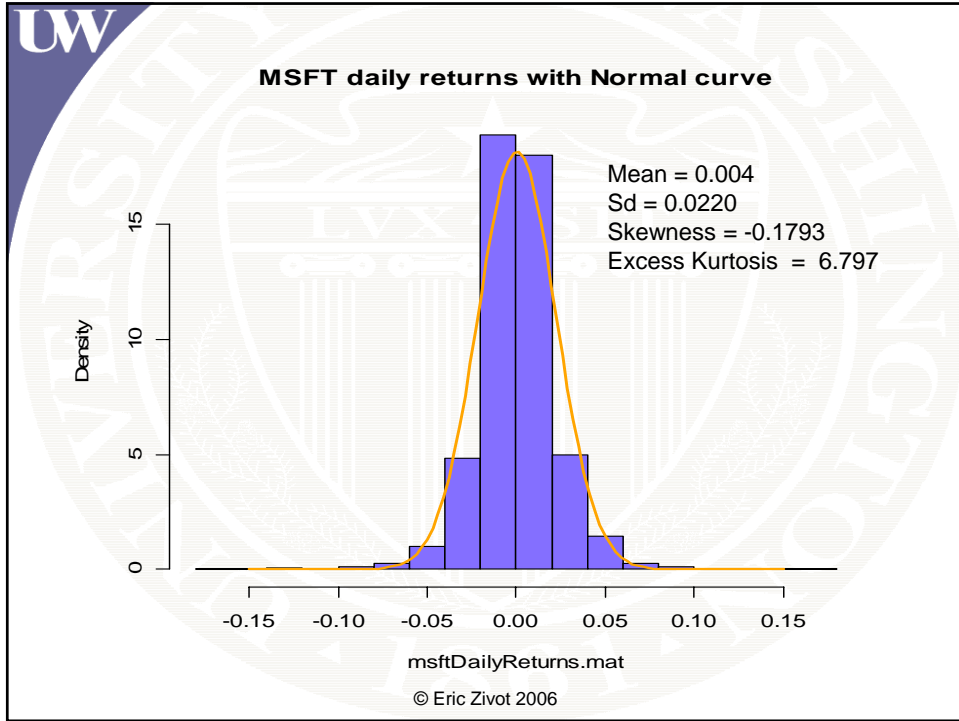
Descriptive Statistics for Daily Data

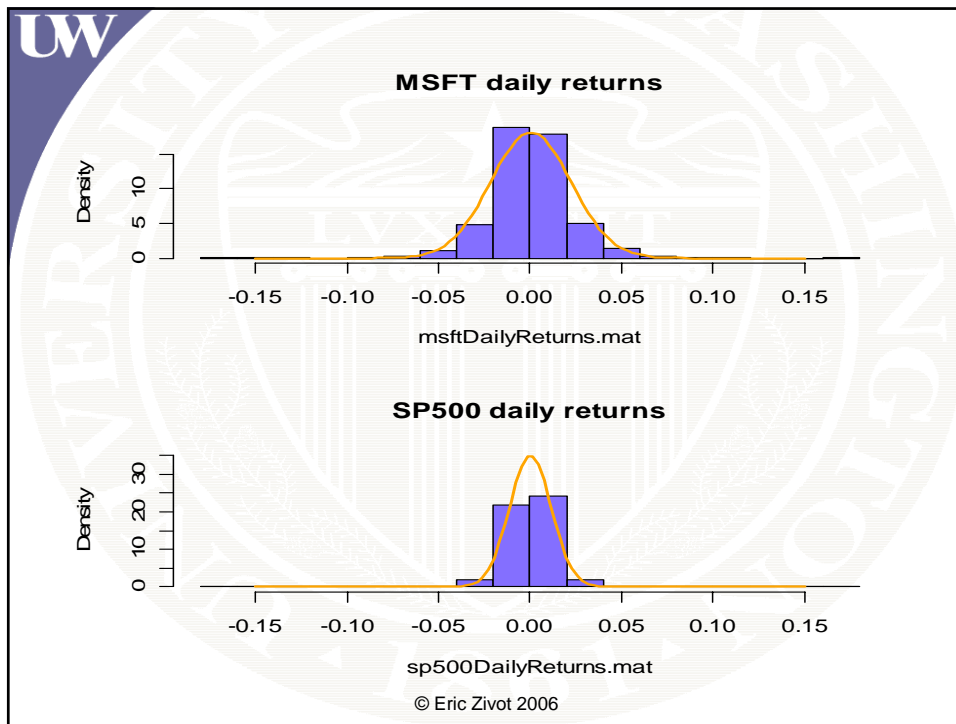
Econ 424
Fall 2008
Eric Zivot
Update: October 14, 2008

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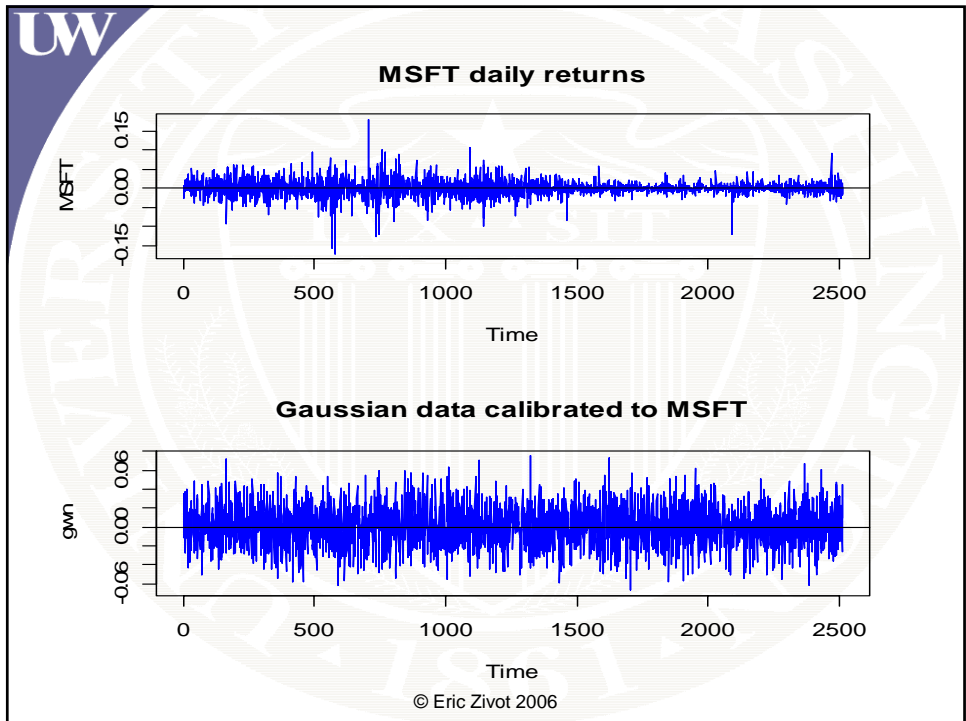
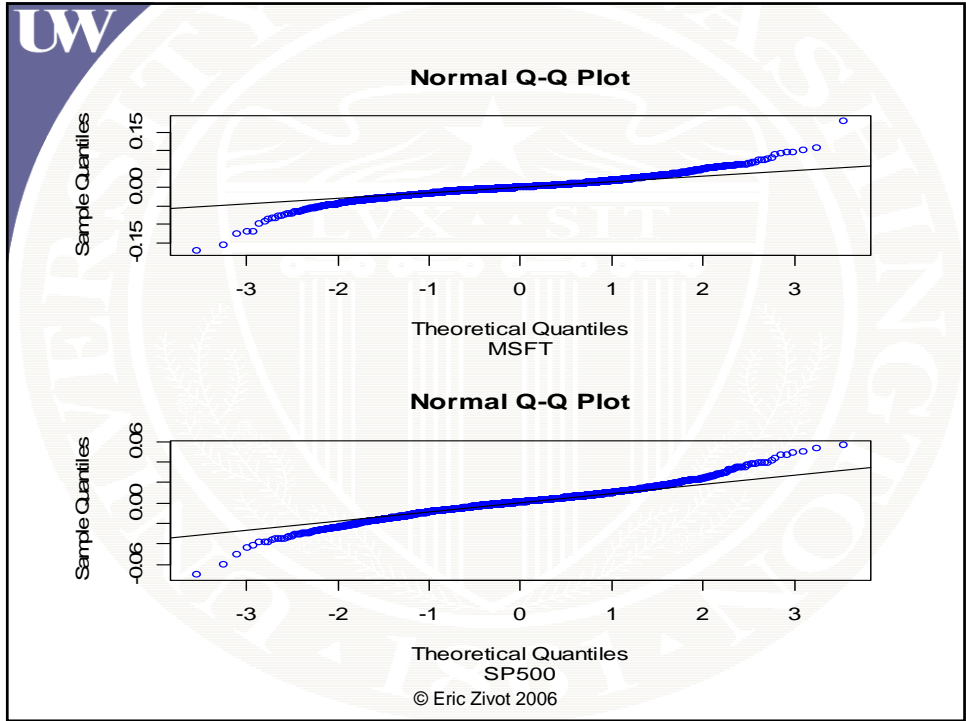


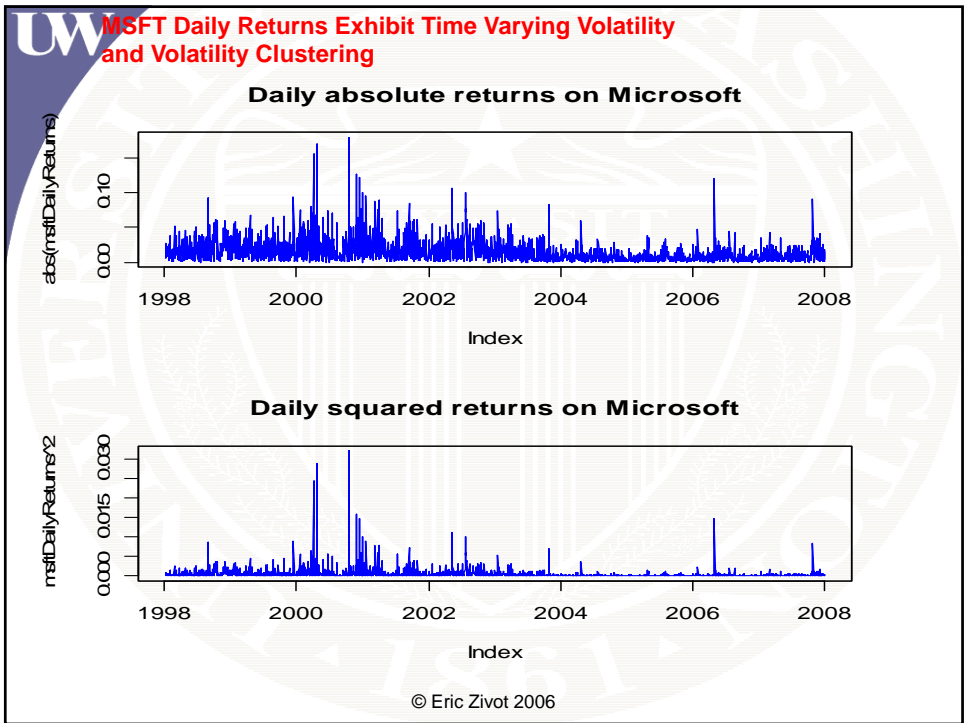
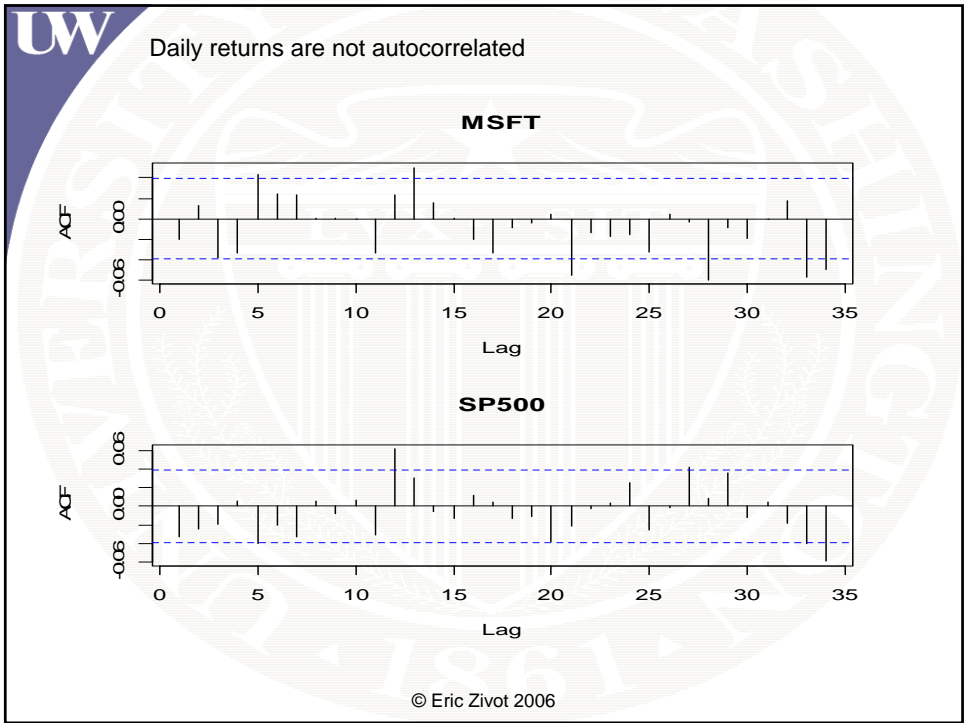


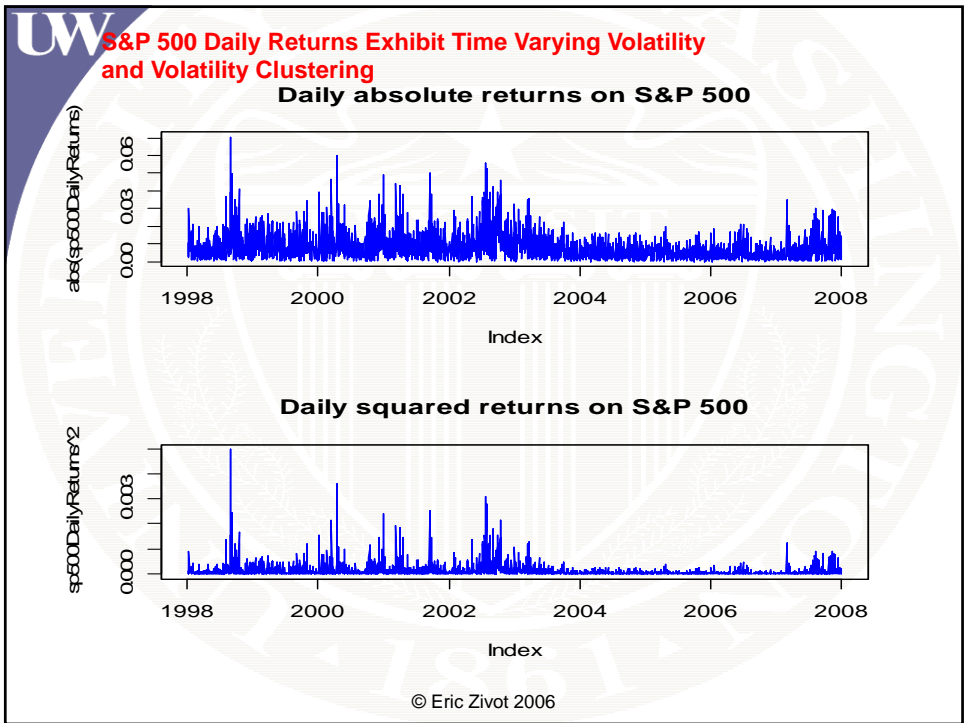
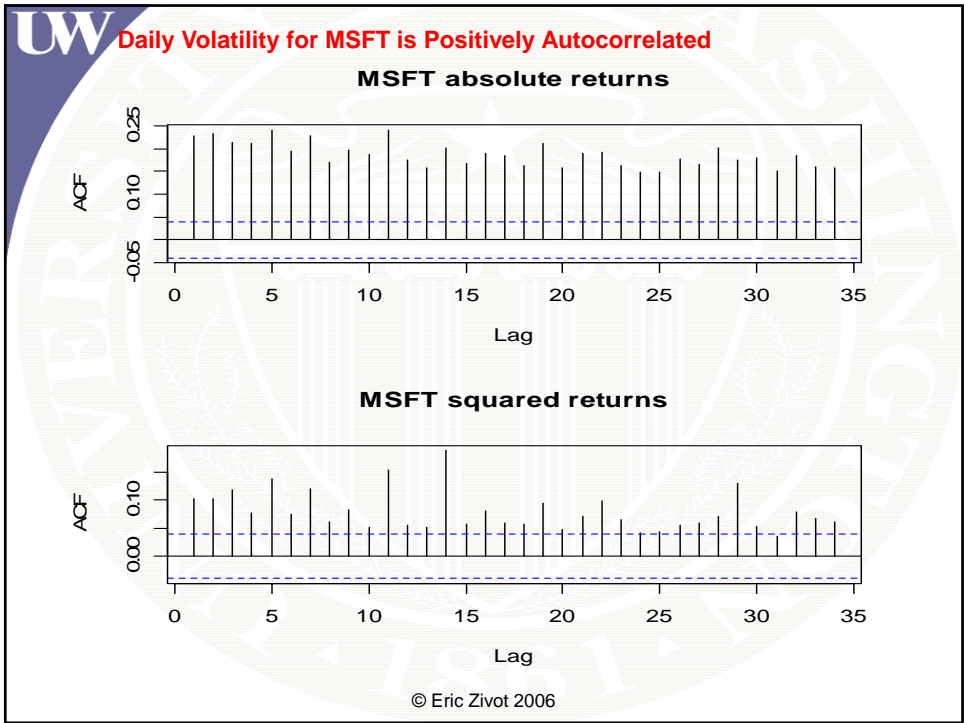


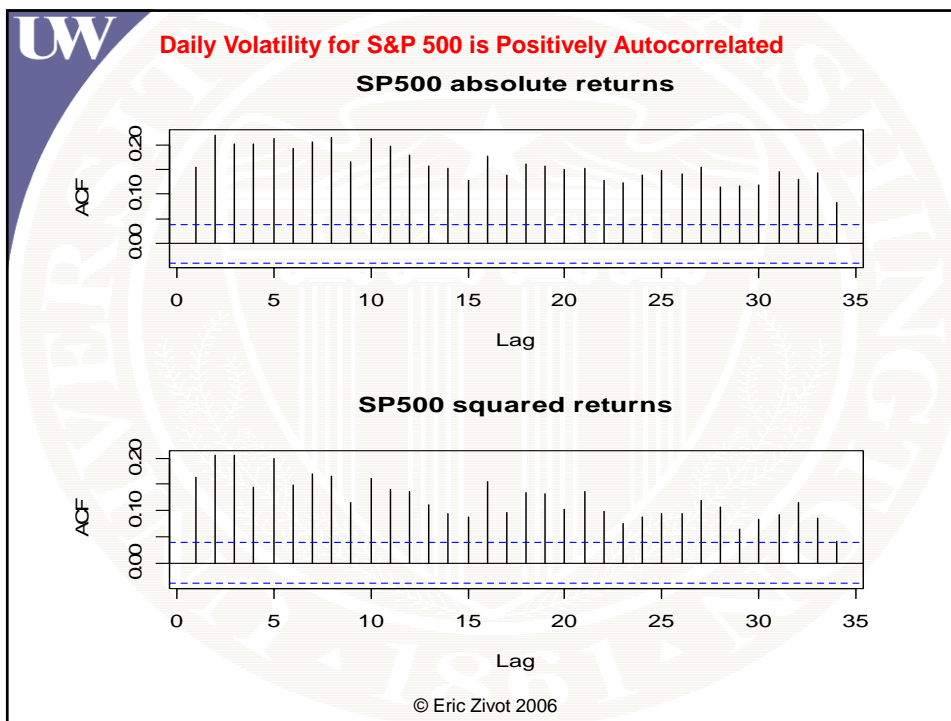
Daily VaR on MSFT and SP500

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- UW** **Summary of Stylized Facts for Daily Returns**
- Returns are not normally distributed. Empirical distributions have fatter tails than normal distribution (more outliers)
 - Returns are approximately uncorrelated over time (no serial correlation)
 - Returns are not independent over time
 - Squared and absolute returns are positively autocorrelated
 - Volatility appears to be serially correlated
 - See Engle's GARCH model
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- The slide features the UW logo in the top left corner. The title 'Summary of Stylized Facts for Daily Returns' is centered at the top. Below the title is a bulleted list of three main points, with the third point having three sub-points. The copyright notice '© Eric Zivot 2006' is located at the bottom center of the slide.