

Contents

List of Figures	xi
List of Tables	xiii
1 Introduction	1
2 Marginal Models	5
2.1 Preliminaries	5
2.2 Model Structure	5
2.3 Autoregressive Moving Average Processes	6
2.4 Univariate ARCH Processes	9
2.4.1 Estimation	12
3 Multivariate GARCH Models	15
3.1 Preliminaries	15
3.2 Multivariate ARCH and GARCH Processes	15
3.3 Estimation	16
3.4 Dynamic Conditional Correlation	17
3.4.1 Asymmetric Dynamic Conditional Correlation	20
3.4.2 Estimation	21
4 Copulas	23
4.1 Preliminaries	23
4.2 Copula Classes	26
4.2.1 Elliptical Copulas	26
4.2.2 Archimedean Copulas	28
4.2.3 Vine Copulas	35
4.2.4 Mixture Copulas	39
4.3 Copula-related Dependence Measures	40
4.3.1 Kendall's tau	40
4.3.2 Tail Dependence	42
4.4 Dynamic Copulas	44
4.4.1 Theory	44
4.4.2 Multivariate Dynamic Elliptical Copulas	45

4.4.3	Multivariate Archimedean Copulas	46
4.4.4	Dynamic Vine Copulas	47
4.4.5	Dynamic Mixture Copula	48
4.5	Estimation	51
4.6	Goodness-of-fit Test	54
5	Empirical Results	57
5.1	Emerging Markets	57
5.2	Data Description	58
5.2.1	Risk, Return and Correlation Characteristics	58
5.3	Marginal Models	60
5.4	Multivariate Models	63
5.5	Value-at-Risk Analysis	65
5.5.1	Value-at-Risk Theory	65
5.5.2	Multivariate Model Determination	68
5.5.3	VaR Empiricism	70
5.6	Dependence Structure Analysis	85
5.6.1	Stock Portfolios Analysis	88
5.6.2	Bond Portfolios Analysis	94
5.6.3	Economic Analysis	96
6	Conclusions	103
A	Price and Return Series	107
B	Descriptive Statistics	111
C	Unconditional and Asymmetric Correlation Analysis	113
D	Estimation Results Univariate AR-GARCH Models	119
E	Estimation Results Multivariate Models VaR Analysis	129
F	Estimation Results Multivariate Models Dependence Analysis	139
	Bibliography	161