

ERRATA

David Ardia: Financial Risk Management with Bayesian Estimation of GARCH Models

Last change: September 10, 2009

- Chapter 3 – Page 22: The sample period for the DEM/GBP data set is from January 3, 1984, to December 31, 1991.
- Page 35, Figure 3.5: The label of the confidence bands are wrong. This should be the contrary, i.e., 95% and 99% should be inverted.
- Chapter 5 – Page 61, bottom: $q_\alpha(\alpha | \tilde{\gamma}, \alpha \dots)$ should be $q_\alpha(\alpha | \gamma, \tilde{\alpha} \dots)$.
- Chapter 7 – Page 121: The expression below Eq. 7.14 should be:

$$G_t \doteq v_{t-1} I_K - Z_{t-1} + G_{t-1} \tilde{B}$$

where \tilde{B} is a $K \times K$ diagonal matrix with $\tilde{\beta}$ in its diagonal. Note that this mistake is also present in Ardia (2009, page 125). Many thanks to Alex Finke for pointing out this error.

- Page 140, Eq. 7.25: Should be $\frac{1}{\gamma^2}$ instead of $\frac{1}{\gamma}$ for the first term in the curly bracket.
- References – The reference Bauwens *et al.* (2004) should be the working paper Bauwens *et al.* (2002).

References

Ardia D (2009). “Bayesian Estimation of a Markov-Switching Threshold Asymmetric GARCH Model with Student-t Innovations.” *Econometrics Journal*, **12**, 105–126. doi:10.1111/j.1368-423X.2008.00253.x.

Bauwens L, Bos CS, van Dijk HK, van Oest RD (2002). “Adaptive Polar Sampling: A Class of Flexible and Robust Monte Carlo Integration Methods.” *Econometric Institute Report EI 2002-27*.

Bauwens L, Bos CS, van Dijk HK, van Oest RD (2004). “Adaptive Radial-Based Direction Sampling: Some Flexible and Robust Monte Carlo Integration Methods.” *Journal of Econometrics*, **123**(2), 201–225. doi: 10.1016/j.jeconom.2003.12.002. Special issue on recent advances in Bayesian econometrics.