



El Departamento de Estadística del ITAM

anuncia la siguiente sesión (No. 180) de

EL SEMINARIO ALEATORIO

que, con el título

**Time-Varying Combination of Volatility Forecasts: An
Empirical Analysis for the Mexican Peso - U.S. Dollar
Exchange Rate**

impartirá

**Guillermo Benavides
Banco de México**

Resumen

This paper develops a method to combine forecasts that allows for weights to change according to current information, and applies it to combine volatility forecasts implied in options and from time series models. The proposed method extends the two-step procedure advanced by Giacomini and White (2006) to select forecasting methods to forecast combinations. We show that the proposed method works well in practice by analyzing volatility forecasts for the Mexican Peso-US Dollar exchange rate, where the actual value is taken to be the realized volatility measured using intra-day observations. We find empirical evidence that accounting for both distinct regimes in the dynamics of exchange rate volatility and combining forecasts from different models improves the out-of-sample forecasting performance for the volatility of this exchange rate. The weights of the best combination change according to information contained in past realized volatility and in past forecasting performance.

Fecha: Viernes 8 de Febrero

Hora: 13:00 hrs.

Salón: B-1

Lista de seminarios próximos. Visite:

<http://estadistica.itam.mx/seminarios.html>

El Seminario Aleatorio está destinado tanto a profesores como a estudiantes, por lo que el Departamento de Estadística agradece a los profesores que colaboren invitando a sus alumnos a estas sesiones.

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