

# *El Departamento de estadística del ITAM*

anuncia la siguiente sesión de

## *EL SEMINARIO ALEATORIO*

que con el título

### *Notes on the Information in Long-Maturity Forward Rates: Mean Reversion and Time-Varying Coefficients*

impartirá

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#### ABSTRACT

Fama and Bliss (1987) discussed the structure of long-maturity forward rates. Two issues were left open: the time-varying nature of the expected returns; and the possible mean reversion of the 1-year spot rate and, consequently, the mean reversion of forward rates-. We discuss these issues and give a partial answer to them. For the first case, a time-varying coefficients regression, with the coefficients following an AR(1) process, is implemented via Kalman filter. For the second case, a long-range dependent process is proposed and the Hurst coefficient estimated; fractional Gaussian noise and Gaussian fractional ARIMA (FARIMA) models are the main tools. We conclude that there is evidence in favor of time-varying coefficients and that the spot and forward rates are in the edge of non-stationarity.

*Fecha: Viernes 14 de Febrero*

*Hora: 12:30*

*Salón: Sala de Video II Biblioteca, 2. Piso*

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*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.*