THE UNIVERSITY OF CHICAGO

Department of Statistics

MASTER'S THESIS PRESENTATION

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Analysis of Dependence in Financial Markets by Using TVOC Model

WEDNESDAY, February 14, 2018, at 8:30 AM
Jones 304, 5747 S. Ellis Avenue

ABSTRACT

My thesis will discuss a method named time-varying optimal copula. This method is different from the classical method TVC. TVOC method helps us find the characters of dependence structure in the co-movement across markets at every time point. By using the Clayton copula and Gumbel copula, we will get the analysis of nonlinear negative dependence at every time point of financial market. It helps us to figure out the best-fitting copula at each time point. Applying the TVOC model to the security and the stock market in the reality to identify the dependence structure.
