Home ▶ All Journals ▶ Applied Financial Economics ▶ List of Issues ▶ Volume 14, Issue 3 Skewness in the conditional distribution

Applied Financial Economics > Volume 14, 2004 - Issue 3

260 25

Views CrossRef citations to date Altmetric

Original Articles

Skewness in the conditional distribution of daily equity returns

Richard D. F. Harris, C. Coskun Küçüközmen & Fatih Yilmaz

Pages 195-202 | Published online: 21 Aug 2006

66 Cite this article ⚠ https://doi.org/10.1080/0960310042000187379

> Sample our Business & Industry Journals >> Sign in here to start your access to the latest two volumes for 14 days

Full Article

Figures & data

References

66 Citations

Metrics

➡ Reprints & Permissions

Read this article

Abstract

The conditional distribution of asset returns is important for a number of applications in finance, including financial risk management, asset pricing and option valuation. In the GARCH framework, it is typically assumed that returns are drawn from a symmetric conditional distribution such as the normal, Student-t or power exponential. However, the use of a symmetric distribution is inappropriate if the true conditional distribution of models the conditional distribution

About Cookies On This Site

generali

skewnes

internat

spec

both mo

the norr

specifica

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our Privacy Policy

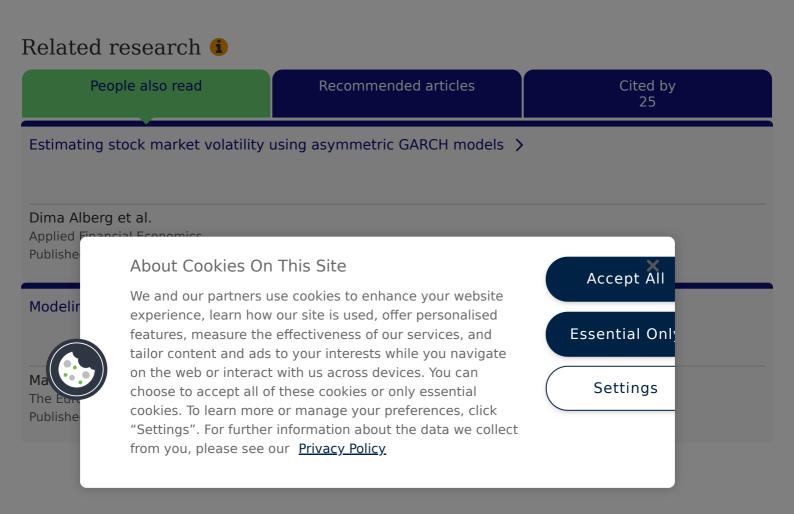
Accept All nge of Essential On Tributions as Settings eover, for implied by

ies.

However, for three of these series – namely the US, Japan and the World index – this skewness can be explained by leverage effects, which are captured by the EGARCH model. For the remaining three series – the UK, Canada and Germany – the skewness in the conditional distribution of returns remains even after allowing for leverage effects.

Notes

- 1 See also Liu and Brorsen (1995), Mittnik et al. (1997, 1998a,b) and Mittnik and Rachev (2000).
- ² The focus of Hansen (<u>1994</u>) is modelling time variation in the kurtosis and skewness of returns, but he also estimates models that have constant skewness and kurtosis.
- ³ To facilitate statistical inference, the table reports the transformed skewness parameter and its standard error. The true skewness parameter can be retrieved by inverting Equation 10.



Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources by email















Copyright © 2024 Informa UK Limited Privacy policy Cookies Terms & conditions



Accessibility

Registered in England & Wales No. 3099067 5 Howick Place | London | SW1P 1WG

About Cookies On This Site



We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our Privacy Policy



Essential Onl

Settings