Abstract zum Vortrag von Prof. Dr. Conrad:

We examine the forecast performance of multiplicative volatility models that can be decomposed into a short- and a long-term component. First, we show that in multiplicative models, returns have higher kurtosis and squared returns have a more persistent autocorrelation function than in the nested GARCH model. Second, within a Monte-Carlo simulation we investigate how the mul-tiplicative structure affects forecast performance both in comparison to the nested GARCH model and the popular HAR model. Finally, we consider an application to S&P 500 returns and U.S. macroeconomic data. Our results show that using multiplicative GARCH models improves short-horizon forecasts in comparison to the HAR model when forecast performance is measured with respect to the asymmetric QLIKE loss. Moreover, two to three months-ahead volatility forecasts improve for both SE and QLIKE loss irrespectively of the volatility regime.