Package ‘RM2006’

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Type Package

Title RiskMetrics 2006 Methodology

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Description Estimation of the conditional covariance matrix using the RiskMetrics 2006 methodology of Zumbach (2007) <doi:10.2139/ssrn.1420185>.

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`RM2006-package` *RiskMetrics 2006 Methodology*

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Estimation of the conditional covariance matrix using the RiskMetrics 2006 methodology of Zumbach (2007) <doi:10.2139/ssrn.1420185>.

Author(s)

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References

Zumbach, G. (2007) The Riskmetrics 2006 methodology. Available at SSRN: https://ssrn.com/abstract=1420185 or http://dx.doi.org/10.2139/ssrn.1420185

`RM2006` *RiskMetrics 2006 Methodology*

Description

Estimation of the conditional covariance matrix using the RiskMetrics 2006 methodology of Zumbach (2007).

Usage

```
RM2006(data, tau0, tau1, kmax,rho)
```

Arguments

`data`	Matrix containing a TxK time series returns.
`tau0`	optional input parameter. Default 1560
`tau1`	optional input parameter. Default 4
`kmax`	optional input parameter. Default 14
`rho`	optional input parameter. Default 1.4142

Details

More details can be found in Zumbach (2007) and in the MFE Toolbox of Kevin Sheppard (function riskmetrics2006).

Value

The funcion returns an array containing for each t (t = 1, ..., T+1) a KxK matrix with the conditional covariance matrix estimates.

Author(s)

Carlos Trucios

References

Zumbach, G. (2007) The Riskmetrics 2006 Methodology. Available at SSRN: https://ssrn.com/abstract=1420185 or http://dx.doi.org/10.2139/ssrn.1420185

Examples

```
Data=matrix(rnorm(1000),nrow = 100, ncol = 10)
RM2006(Data)
```

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