

Propositions

attached to the thesis

Understanding Financial Market Volatility

Anne Opschoor

Erasmus University Rotterdam

20 February 2013

I MitISEM competes with or improves upon the AM sampler of Roberts and Rosenthal (2009) and the AIMH sampler of Giordani and Kohn (2010).

(Chapter 2)

II Sequential MitISEM reduces the computational burden considerably while the quality of the approximation of the target density remains almost unchanged, as compared with an “ad hoc” procedure in which the construction of the MitISEM candidate is performed “from scratch” at every moment in time.

(Chapter 2)

III Private information is an additional driver of (bond) market volatility, taking into account the existing relation between public information and volatility.

(Chapter 3)

IV Volatilities and correlations of stock returns are sensitive to financial conditions. Explicitly modeling this relation leads to a more accurate description of their dynamics and to improved forecasts of important measures such as portfolio Value-at-Risk.

(Chapter 4)

V In case one is only interested in (forecasts of) returns in a particular region of the density, it is better to combine density forecasts based on their performance for that region than for the complete support.

(Chapter 5)

- VI Investing in science is something different than investing in a railway. In case of science, you never know the outcome, however you do know what happens if you do not do it.
- VII There is on average a negative relationship between the size of a conference and the usefulness for you as presenter of a paper.
- VIII The process that leads to publication of a paper can be seen as adding uninvited updates to the original article.
- IX Biographies of famous people with an interesting career in business are a subtle form of “selection bias”. There are always people who had similar ingredients for that particular career, however they missed the right circumstances or they got off track.
- X Writing a paper has similarities with composing a symphony or any other work in classical music: the first version will always change. If this is not the case, you are a genius (e.g. W.A. Mozart).
- XI Playing music without passion is inexcusable.

(Ludwig van Beethoven)