Predictions, Nonlinearities and Portfolio Choice

By Friedrich Christian Kruse

Josef Eul Verlag Gmbh Sep 2012, 2012. Taschenbuch. Book Condition: Neu. 21x14.8x cm. This item is printed on demand - Print on Demand Neuware - Finance researchers and asset management practitioners put a lot of effort into the question of optimal asset allocation. With this respect, a lot of research has been conducted on portfolio decision making as well as quantitative modeling and prediction models. This study brings together three fields of research, which are usually analyzed in an isolated manner in the literature:- Predictability of asset returns and their covariance matrix- Optimal portfolio decision making- Nonlinear modeling, performed by artificial neural networks, and their impact on predictions as well as optimal portfolio constructionIncluding predictability in asset allocation is the focus of this work and it pays special attention to issues related to nonlinearities. The contribution of this study to the portfolio choice literature is twofold. First, motivated by the evidence of linear predictability, the impact of nonlinear predictions on portfolio performances is analyzed. Predictions are empirically performed for an investor who invests in equities (represented by the DAX index), bonds (represented by the REXP index) and a risk-free rate. Second, a solution to the dynamic programming problem for intertemporal...

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Reviews

Basically no terms to clarify. It is actually writter in basic terms rather than confusing. I found out this ebook from my dad and i suggested this book to find out.
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