Title: Dynamic Connectedness

The topic of dynamic connectedeness based on Diebold Yilmaz approach has a wide range of application from financial to macro time series data and it is based on indices of total and directional connectedness which allows to measure how a country/market/financial institution contributes and its vulnerable to systemic risk

Syllabus:

1) intro to VAR modelling and Forecast Error Variance Decomposition (2 hrs)

2) generalized impulse response and structural VAR based indices of connectdness (2 hrs)

3) Parsimonios modelling: a) Long memory ; b) large scale VAR (2 hrs)

4) Applications using R (4 hrs)

References:

Caloia G., Cipollini A. and S. Muzzioli (2019): How do normalization schemes affect net spillovers? A replication of the Diebold and Yilmaz (2012) study, Energy Economics, Volume 84, 104536

Demirer, M.; Diebold, F.X.; Liu, L.; Yilmaz, K. (2017) Estimating global bank network connectedness. Journal of Applied Econometrics. Volume 33, 1–15.

Diebold, F.X.; Yılmaz, K. On the network topology of variance decompositions: Measuring the connectedness of financial firms (2014). Journal of. Econometrics. Volume 182, 119–134.

Diebold, F.X.; Yilmaz, K. Trans-Atlantic Equity Volatility Connectedness: U.S. and European Financial Institutions, 2004–2014 (2016). Journal of. Financial Econometrics, Volume 14, 81–127.