

Time: Wednesday May 4th, 2011 10:00am  
Location: Buchanan A202

**ARCH - GARCH Model and 2009 U.S.-Canada Daily Exchange Rates**

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This study takes a look at the properties of ARCH-GARCH model: especially the facts of uncorrelated residuals and autocorrelated squared residuals, then examine if the U.S. Canada daily exchange rates in 2009 have significant ARCH-GARCH effects including ACF/PACF checking and the Portmanteau Q test for autocorrelation in squared residuals. We see that the spot daily exchange rates do not have autocorrelated squared residuals; therefore we give up the possibility of built-in ARCH-GARCH effects. References are given for a study in 2000, which shows significant first-order heteroskedasticity is rejected for the year 1980, 1982, 1987, 1988, 1990, 1992 and the opposite for the rest of the years between 1978 and 1992 for the U.S.-Canada daily exchange rates.