

RECENSIONI E SEGNALAZIONI BIBLIOGRAFICHE

NGAI HANG CHAN, *Time Series: Applications to Finance*, Wiley, New York, 2002, pp. 224.

This textbook deals with the time series analysis of financial data, mainly addressed to practitioners of diversified backgrounds with the common interest of analyzing financial time series in a statistical manner. In order to achieve this goal, the text offers a balance between theory and applications.

The first five chapters cover standard topics in time series such as, trends, seasonal cycles, probability models, Autoregressive Moving Average models (ARMA), ARIMA and seasonal ARIMA. Chapter 6 and 7 deal briefly with forecasting following the Box and Jenkins approach, and some concepts of spectral analysis, respectively.

The last six chapters are devoted to more recent developments in time series modeling, such as univariate and multivariate GARCH, state space modeling, cointegration and common trends, all with applications to real life financial series.

The most distinctive feature of this textbook is that the examples are illustrated through SPLUS programs, with detailed analyses and explanations of the SPLUS commands. Therefore, readers will be able to reproduce the analyses by replicating some of the empirical cases and test alternative models to facilitate an understanding of the subject.