

Time Series Analysis

Homework assignment #4

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Problems

1. Consider the last 5 years worth of daily price levels of the three front crude oil futures contracts. The Bloomberg symbols for these instruments are CL1 Comdty, CL2 Comdty, and CL3 Comdty, respectively. Design and carry out a test for cointegration among the prices of these these instruments.

This is an open ended-project and a variety of approaches are possible. I suggest a $VAR(p)$ specification with a small number of lags.

2. Prove formulas (8) and (9) in Lecture Notes #4.

This assignment is due on October 4