Meeting Minutes

PWC ILab Teams Meeting on 07.12.2023, 10am

Agenda:	Presentation of the Rolling PCA approach and further Questions
Participants:	PWC: Christian Koellich, Florian Moemken, WU: Florian Pauer, Lukas Handler, Students: Arina Suhodolova, Sophie Grill, Alexei Volodin, Dinara Zainullina, Sebastian Herzog
Last Meeting:	24.11.23 at 9am
Next Meeting:	Online Teams Meeting on 22.12.23 at 9am

Presentation of our Rolling PCA Approach

Team

- Introduction of our extended dataset: we introduced 28 additional commodity indices.
- All of them are related to the commodities mentioned by Fenn et al. (2011). We transformed the daily data in quarterly returns such that they fit our initial time windows.
- We tested multiple windows to gauge where the PCA1 value is the highest. The performance was best with overlapping windows of 40 observations.
- Amended to our code we provide confidence intervals justifying the robustness of our analysis.

Open Topics and Adjustments to be made

Koellich Additional data to Include:

- Diversified equity indices for US and European securities
- Spread indices for US and European credits and government bonds.
- Further adjustment on the time window for the rolling analysis
- Analysis of the correlation matrix: is it random or does it entail valuable information?
- Including macroeconomic data

Presentation requirements for the next meeting

Koellich

- Detailed slides on all topics in the high-level roadmap I-II
- Slides set which explains our methodological approach including an in depth explanation of the statistical methods we used
- Slides explaining potential noise or information in the correlation matrix