

The Impact of Loadshedding on SWIX sectors using DCC-GARCH models

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Abstract

Abstract

1. Introduction

Data



Figure 1.1: Cumulative Returns per Sector for ALSI and SWIX

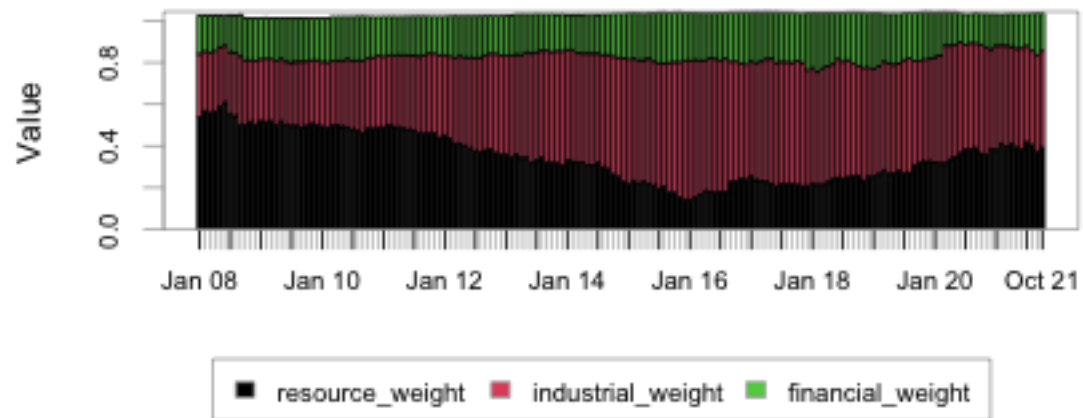


Figure 1.2: ALSI Weight Contribution

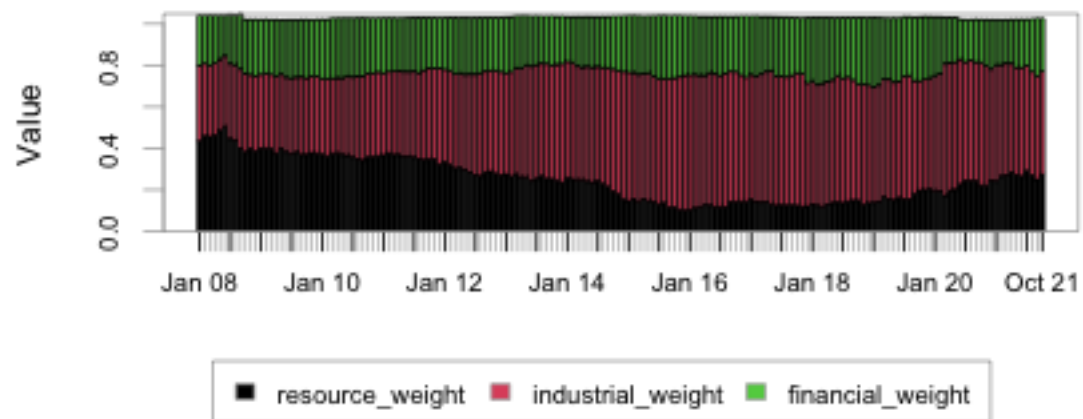


Figure 1.3: SWIX Weight Contribution

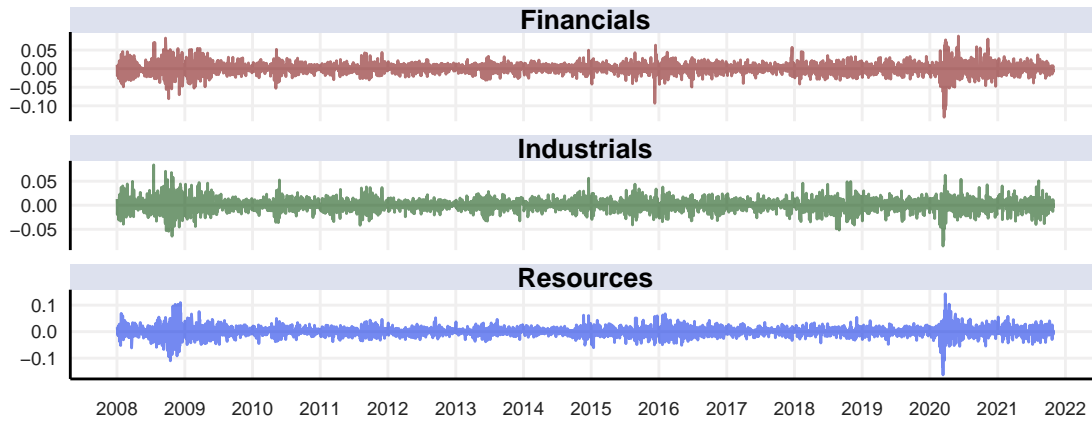


Figure 1.4: Log Returns per Sector for the SWIX

2. DCC GARCH Model Fit

2.1. Estimate Std. Error t value Pr(> | t/ |)

```
[Resources].omega 0.00000 0.00001 0.304 0.761
[Resources].alpha1 0.005 0.033 0.147 0.883
[Resources].beta1 0.947 0.050 18.750 0
[Industrials].omega 0.00000 0.00000 1.755 0.079
[Industrials].alpha1 0.017 0.009 1.822 0.068
[Industrials].beta1 0.907 0.017 54.781 0
[Financials].omega 0.00000 0.00000 0.966 0.334
[Financials].alpha1 0.032 0.022 1.492 0.136
[Financials].beta1 0.907 0.033 27.601 0
[Joint]dcca1 0.039 0.005 7.807 0
[Joint]dccb1 0.949 0.008 123.286 0
```

3. Loadshedding DCC GARCH Model Fit

3.1. Estimate Std. Error t value Pr(> | t/ |)

```
[Resources].omega 0.00004 0.00003 1.399 0.162
```

[Resources].alpha1	0.00000	0.101	0.00000	1.000
[Resources].beta1	0.791	0.161	4.907	0.00000
[Industrials].omega	0.00001	0.00000	24.162	0
[Industrials].alpha1	0.00000	0.028	0.00000	1.000
[Industrials].beta1	0.825	0.023	35.958	0
[Financials].omega	0.00003	0.00001	3.121	0.002
[Financials].alpha1	0.018	0.058	0.306	0.760
[Financials].beta1	0.672	0.071	9.408	0
[Joint]dcca1	0.050	0.015	3.414	0.001
[Joint]dccb1	0.895	0.032	27.579	0

4. No Loadshedding DCC GARCH Model Fit

4.1. Estimate Std. Error t value Pr(> | t|)

[Resources].omega	0.00000	0.00000	0.437	0.662
[Resources].alpha1	0.026	0.021	1.256	0.209
[Resources].beta1	0.934	0.035	26.758	0
[Industrials].omega	0.00000	0.00001	0.365	0.715
[Industrials].alpha1	0.023	0.036	0.641	0.521
[Industrials].beta1	0.912	0.074	12.253	0
[Financials].omega	0.00000	0.00001	0.369	0.712
[Financials].alpha1	0.039	0.051	0.771	0.441
[Financials].beta1	0.908	0.075	12.101	0
[Joint]dcca1	0.036	0.005	6.747	0
[Joint]dccb1	0.954	0.008	120.623	0

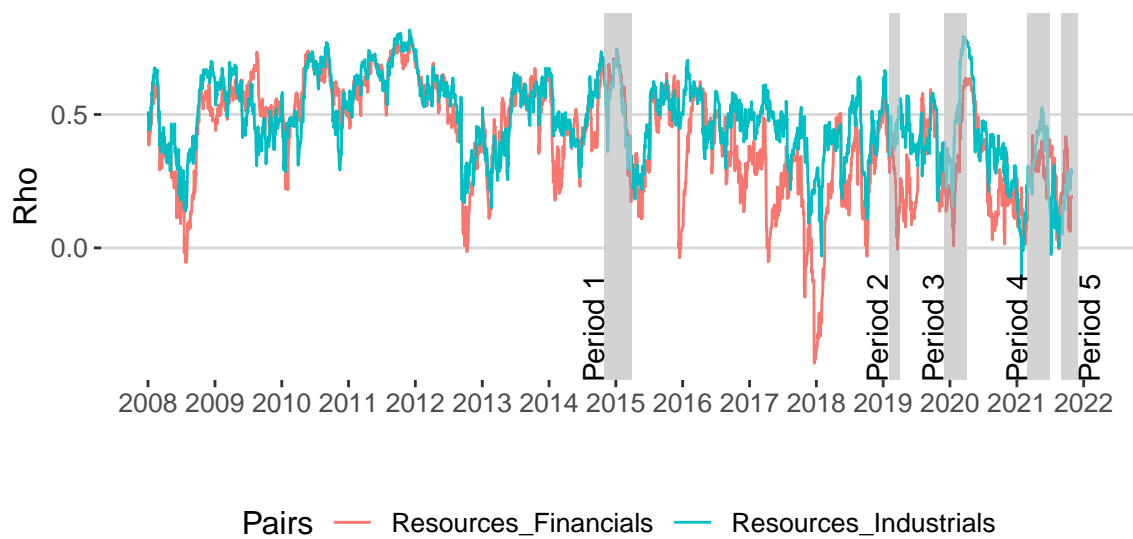


Figure 4.1: Dynamic Conditional Correlations: Resources

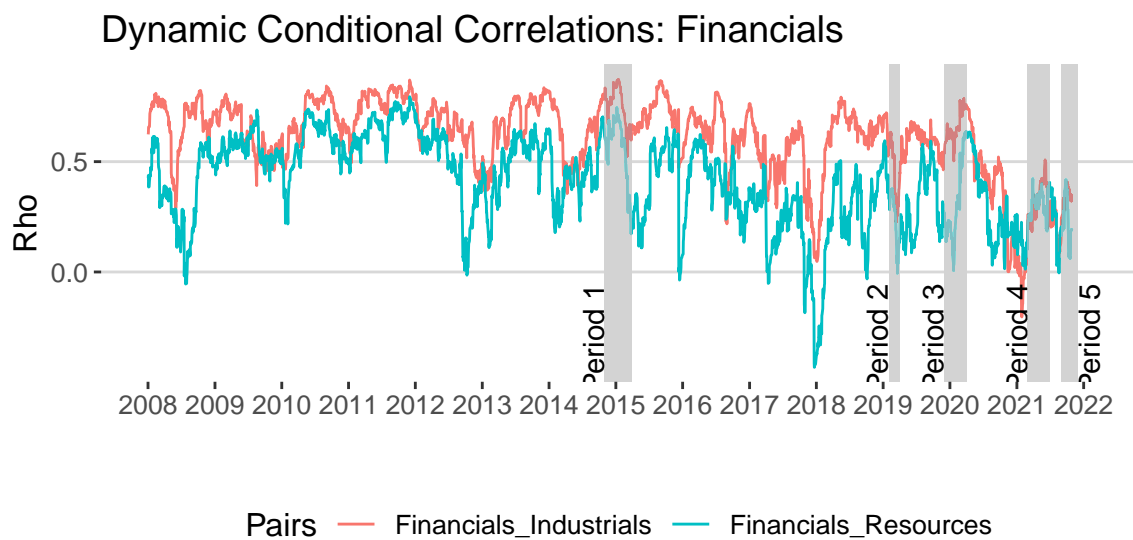


Figure 4.2: Dynamic Conditional Correlations: Financials

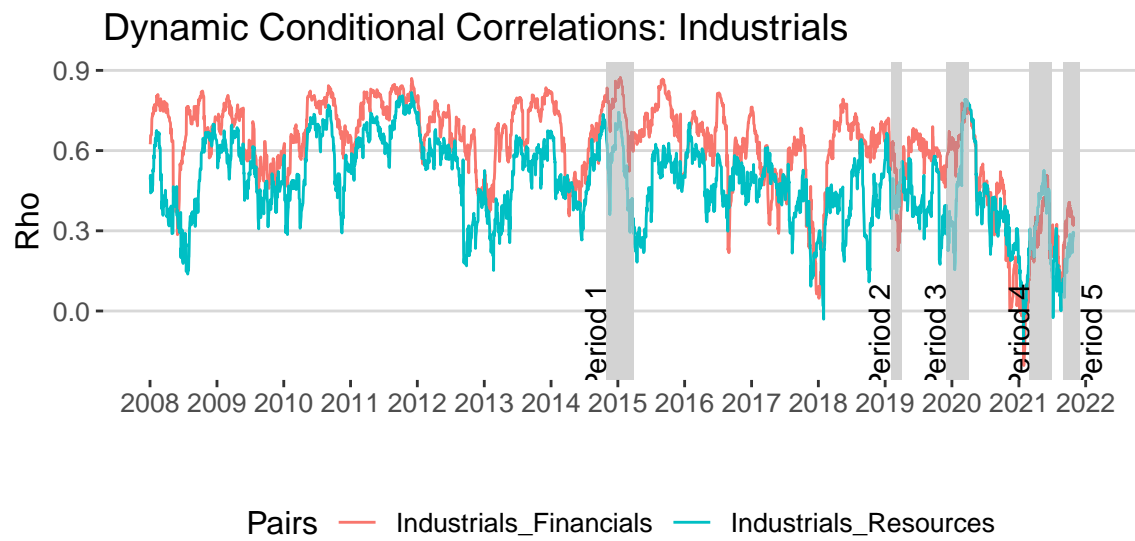


Figure 4.3: Dynamic Conditional Correlations: Industrials

5. Methodology

6. Results

7. Conclusion

References

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Appendix

Appendix A

Some appendix information here

Appendix B