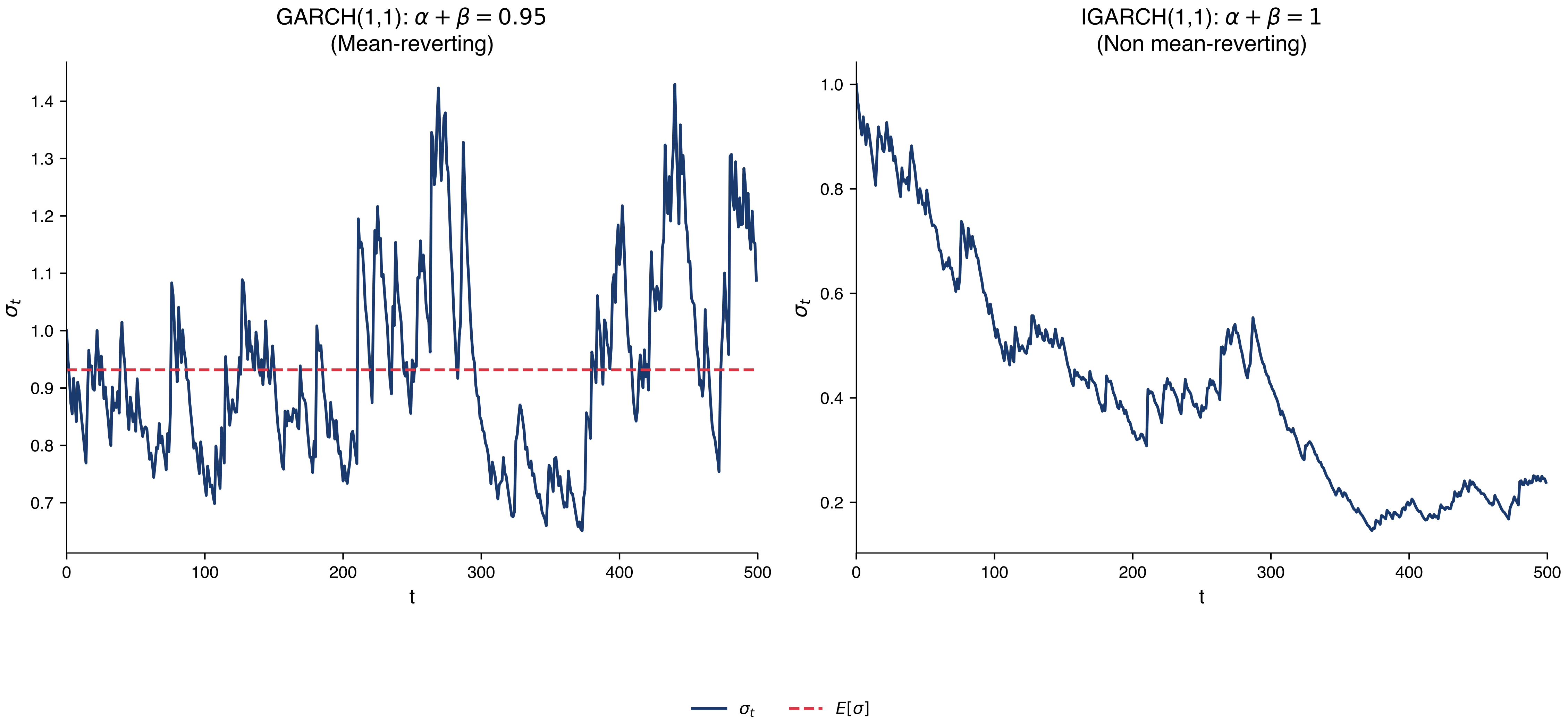
GARCH(1,1): $\alpha + \beta = 0.95$
(Mean-reverting)
IGARCH(1,1): $\alpha + \beta = 1$
(Non mean-reverting)
σ_t
t
1.4
1.3
1.2
1.1
1.0
0.9
0.8
0.7
0.6
0.4
0.2
0
100
200
300
400
500
σ_t
$E[\sigma]$