**MF731 HW Problems for Assignment 4**

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**1.Stress Test for a Market-Cap Weighted Portfolio of Microsoft and Apple Stocks.**

**(1)** the initial EWMA sigma and mu are shown below:

文本

描述已自动生成

**(2)** the VaRs are shown below:

文本

描述已自动生成

**(3) – (5)**

(a) the average K-day portfolio loss is about: **7.0691e+04**

(b) K-day VaR: **150919.76**

(c) exceedance1: **70.12%**

(d) exceedance2: **8.716%**

**For the detail, please check the matlab code file.**