

Reading List

Topic 2: Markov Switching Models

- Coe, P. J. (2002). Financial Crisis and the Great Depression: A Regime Switching Approach. *Journal of Money, Credit and Banking*, **34**, 76–93.
- Gray, S. F. (1996). Modeling the Conditional Distribution of Interest Rates as a Regime-Switching Process. *Journal of Financial Economics*, **42**, 27–62. (★)
- Hamilton, J. D. (1989). A New Approach to the Economic Analysis of Nonstationary Time Series and the Business Cycle. *Econometrica*, **57**, 357–84.
- Kim, C. J. (1994). Dynamic Linear Models with Markov-Switching. *Journal of Econometrics*, **60**, 1–22.
- Kuan, C.-M., Y.-L. Huang, and R.-S. Tsay (2005). An Unobserved-Component Model with Switching Permanent and Transitory Innovations. *Journal of Business and Economic Statistics*, **23**, 443–454. (★)
- Maheu, J. M. and T. H. McCurdy (2000). Identifying Bull and Bear Markets in Stock Returns. *Journal of Business & Economic Statistics*, **18**, 100–112. (★)

Topic 3: Multiple Testing without Data Snooping Bias

- Hansen, P. R. (2005). A test for superior predictive ability, *Journal of Business and Economic Statistics*, **23**, 365–380. (★)
- Hansen, P. R. and A. Lunde (2005). A forecast comparison of volatility models: Does anything beat a GARCH(1,1)? *Journal of Applied Econometrics*, **20**, 873–889.
- Hsu, P.-H. and C.-M. Kuan (2005). Reexamining the profitability of technical analysis with data snooping checks, *Journal of Financial Econometrics*, **3**, 606–628.
- Hsu, P.-H., Y.-C. Hsu, and C.-M. Kuan (2010). Testing the predictive ability of technical analysis using a new stepwise test without data snooping bias. *Journal of Empirical Finance*, **17**, 471–484. (★)

- Lo, A. W. and A. C. MacKinlay (1990). Data snooping biases in tests of financial asset pricing models, *Review of Financial Studies*, **3**, 431–467.
- Romano, J. P. and M. Wolf (2005). Stepwise multiple testing as formalized data snooping, *Econometrica*, **73**, 1237–1282.
- Sullivan, R. A. Timmermann, and H. White (1999). Data-snooping, technical trading rule performance, and the bootstrap, *Journal of Finance*, **54**, 1647–1691. (★)
- Sullivan, R. A. Timmermann, and H. White (2001). Dangers of data mining: The case of calendar effects in stock returns, *Journal of Econometrics*, **105**, 249–286. (★)
- White, H. (2000). A reality check for data snooping, *Econometrica*, **68**, 1097–1126.