SF2701: Homework 1
Guide to the Quantlab workspace

This document is intended to assist you with the Quantlab workspace used in the assignment on stock prices, providing short descriptions of the different parameters and data fields. Figure 1 shows a screen shot of the workspace as it looks when you open it the for the first time. While working on problem a),
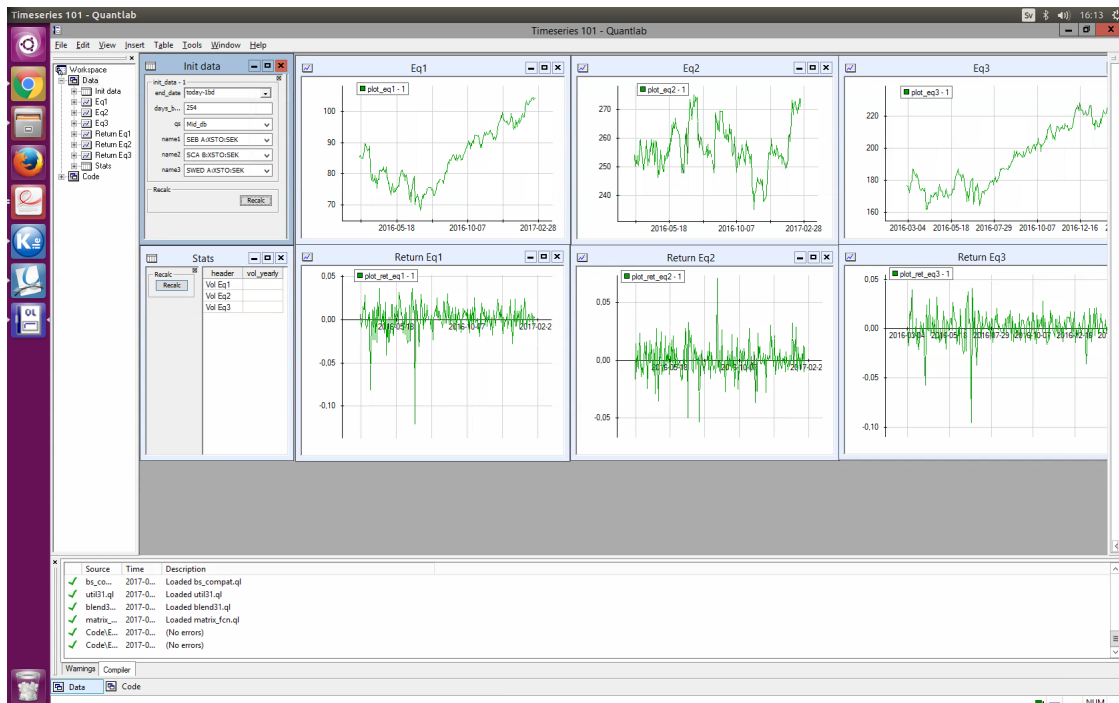

Figure 1: A screen shot of the workspace.

all your actions will be performed in the window "Init data", shown in Figure 2. The selection in `name1`, `name2` and `name3` determines which stocks you will analyze. When you open the workspace, SEB A, SCA B and SWED A will be the default choice but can be easily be changed by selecting other stocks from the drop-down lists. By the selection in `days_back` you choose the number of business days you want to include in analysis and `end_date` sets the end day of this time period. The default setting is a 254-business days ($\approx$ 1 year) time period ending yesterday. The tab `q` determines which quotes that are used, use the default setting `Mid_db`. When you have made your selections, update the graphs by clicking the "Recalc" button. In the graphs "Eq1", "Eq2" and "Eq3" the stock price of `name1`, `name2` and `name3` are plotted respectively with date on the x-axis and SEK on the y-axis. In the graphs "Return Eq1", "Return Eq2" and "Return Eq3" the corresponding log-returns are plotted.
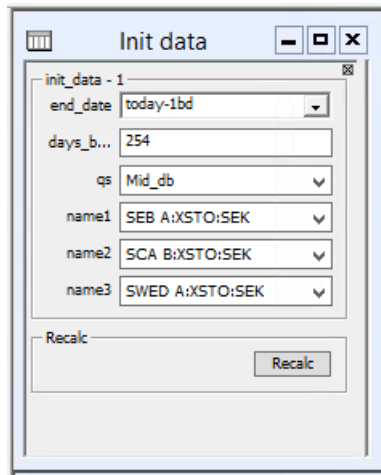
Figure 2: A zoom on the "Init data" window.

To solve problem b) you will use the "Stats" window, see Figure 3 for a close up view. By clicking the "Recalc" button, the historical estimate of the yearly volatility for the selected stocks, `Vol Eq1`, `Vol Eq2` and `Vol Eq3` respectively, is presented in the column `vol_yearly`. The estimate is based on data from the time period you have selected in the "Init data" window, i.e. the data that is plotted.
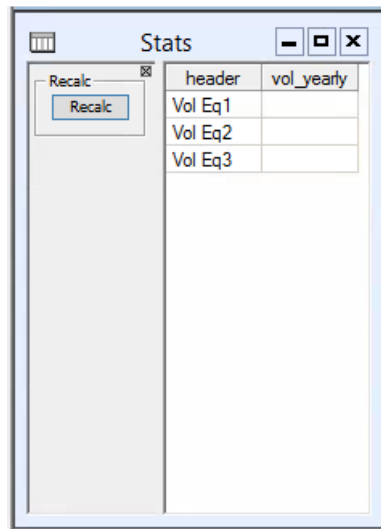

Figure 3: A zoom on the "Stats" window.