

ABSTRACT

Volatility is often used as a marker of rise or fall in the price of the stock. Therefore, the required model prediction of volatility. The higher the volatility, the higher the stock price fluctuations occur. One of the properties of the volatility that can be observed is asymmetric, i.e. the volatility will be higher if the prices come down and would be lower if the price goes up. This asymmetrical nature with regard to the nature of the leverage effect. Writing this final task using Autoregressive model Conditionals Heteroskedasticity ARCH (1) and Exponential Generalized Autoregressive Conditionals EGARCH Heteroskedasticity (1,1) for the prediction of the next period's share price values using the Root Mean Square Error (RMSE) and Mean Absolute Error (MAE). In this final task performed an analysis of the nature of asymmetrical volatility Autoregressive models Conditionals Heteroscedasticity ARCH (1) and Exponential Generalized Autoregressive Conditionals EGARCH Heteroskedasticity (1,1). With RMSE value EGARCH (1,1) is 0.015 and ARCH (1) were 0.023. It shows to do predictions, EGARCH model (1,1) is much better compared to the mdel ARCH (1) visible from the RMSE values that model EGARCH (1,1) is smaller than the model of the ARCH (1).

Key Words: ARCH, EGARCH, Volatility, Return, Asymmetric