

Research Project

FV-75 Volatilität als bewerteter Risikofaktor auf Aktienmärkten

Third-party funded project

Project title FV-75 Volatilität als bewerteter Risikofaktor auf Aktienmärkten

Principal Investigator(s) [Zimmermann, Heinz](#) ;

Co-Investigator(s) [Hitz, Lukas](#) ; [Mustafi, Ismail](#) ;

Organisation / Research unit

Faculty of Business and Economics

Departement Wirtschaftswissenschaften / Finanzmarkttheorie (Zimmermann)

Project start 01.01.2019

Probable end 31.12.2019

Status Completed

We analyze whether the pricing of volatility risk depends on the asset pricing framework applied in the tests, the specified volatility proxies, and the portfolio sorts used for spanning the asset universe. For this purpose, we compare the results using a macroeconomic (CRR) and fundamental (FF) based asset pricing model using three proxies of volatility and uncertainty, using size/value sorted and industry sector portfolios. Our results reveal that the marginal pricing effect of the VIX volatility factor is strong and statistically significant throughout the models and specifications, while the effect of an EGARCH-based volatility factor is mixed, mostly smaller but with the correct sign. In most cases, the EGARCH factor does not impair the pricing effect of the VIX. The portfolio sorts have a substantial impact on the volatility premiums in both, the CRR and FF model frameworks. The size of the volatility risk premium is more uniform across the models if the industry sector portfolio sort is used. Finally, the size/value portfolio sort generates larger volatility risk premiums for both models.

Notice that the research is under progress and results are preliminary.

Financed by

Foundations and Associations

[Add publication](#)

[Add documents](#)

[Specify cooperation partners](#)