ABSTRACT

Traditionally, the parameters of GARCH model are estimated by daily return with quasi maximum likelihood estimation (QMLE) or maximum likelihood estimation with Student-t distribution. This paper uses intraday high-frequency data to estimate the GARCH model. In addition, estimation methods will be generalized, too. Simulation study compares the result between a proxy using realized volatility with a proxy using absolute return, which shows a well-chosen proxy may reduce the variances of the estimators.