

# Better Risk Management through improved empirical insight.

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Risk and Regulation strategies can often benefit from insight into the likelihood of occurrence of various events and conditions in particular estimates for the occurrence of various types of events or scenarios. Obtaining this information from limited observations of the historical events or scenarios are often too short to estimate the statistics of interest. A new statistical approach to dynamic simulation of synthetic event time series e.g. event generator is presented. Ensemble Random Analog Prediction (ERAP) method constructs synthetic scenarios by generating ensembles which are consistent with the statistics of the historical data. The method is tested both on a non-linear process where the long term statistics are accessible and on a chaotic event data. Finally limitations of the method and