

Package ‘fMultivar’

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Title Rmetrics - Analysing and Modeling Multivariate Financial Return Distributions

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Description Provides a collection of functions
to manage, to investigate and to analyze bivariate and multivariate
data sets of financial returns.

Depends R (>= 2.15.1), timeDate, timeSeries, fBasics

Imports cubature, mvtnorm, sn, methods, grDevices, graphics, stats

Suggests RUnit, tcltk

License GPL (>= 2)

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fMultivar-package	<i>Modelling Multivariate Return Distributions</i>
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Description

The Rmetrics "fMultivar" package is a collection of functions to manage, to investigate and to analyze bivariate and multivariate data sets of financial returns.

Details

Package:	fMultivar
Type:	Package
Version:	R 3.0.1
Date:	2014
License:	GPL Version 2 or later
Copyright:	(c) 1999-2014 Rmetrics Association
URL:	https://www.rmetrics.org

1 Introduction

The package `fMultivar` was written to explore and investigate bivariate and multivariate financial return series. The bivariate modeling allows us the comparison of financial returns from two investments or from one investment and its benchmark. When it comes to the investigation of multiple investment returns from funds or portfolios we are concerned with the multivariate case.

In the case of bivariate distribution functions we provide functions for the 2-dimensional Cauchy, Normal, and Student-t distributions. A generalisation (for the density only) is made for the family of 2-dimensional elliptical distributions. In this case we provide density functions for the Normal, Cauchy, Student-t, Logistic, Laplace, Kotz, e-Power distributions.

In the case of multivariate distribution functions from the skew-normal (SN) family and some related ones we recommend to use the density functions, probability functions and random number

generators provided by Azzalini's contributed package `sn`. The family of his SN-distributions cover the skew Cauchy, the skew Normal, and the skew Student-t distributions. For parameter fitting we have added three simple wrapper functions for an easy to use approach to estimate the distributional parameters for financial return series.

In the case of multivariate distribution functions from the generalized hyperbolic (GHYP) family and some related ones we recommend to use the density functions, probability functions and random number generators provided by David Luethi and Wolfgang Breymann's contributed package `ghyp`. The family of their GHYP-distributions cover beside the General Hyperbolic distribution (GHYP) also the special cases for the Hyperbolic distribution (HYP), for the Normal Inverse Gaussian distribution (NIG), for the Variance Gamma distribution (VG), and for the skewed Student-t distribution (GHST).

2 Bivariate Distributions

This section contains functions to model bivariate density, probability, quantile functions, and to generate random numbers for three standard distributions.

<code>[dpr]cauchy2d</code>	Bivariate Cauchy Distribution
<code>[dpr]norm2d</code>	Bivariate Normal Distribution
<code>[dpr]t2d</code>	Bivariate Student-t Distribution

The density function

<code>delliptical2d</code>	Bivariate Elliptical Densities
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computes for several bivariate elliptical distributions their densities. Included distributions are the following types: "norm", "cauchy", "t", "logistic", "laplace", "kotz", and "epower".

3 Multivariate Symmetric Distributions

<code>[dpr]</code>	Multivariate Cauchy Distribution
<code>[dpr]</code>	Multivariate Normal Distribution
<code>[dpr]</code>	Multivariate Student-t Distribution
<code>[dpr]</code>	Multivariate Truncated Normal Distribution

3 Multivariate Skew Distributions

We use the functions from the contributed package "sn" package to model multivariate density and probability functions, and to generate random numbers for the skew Cauchy, Normal and Student-t distributions. Note the symmetric case is also included in these functions. The functions are:

<code>[dpr]msc</code>	Multivariate Skew Cauchy Distribution
<code>[dpr]msn</code>	Multivariate Skew Normal Distribution
<code>[dpr]mst</code>	Multivariate Skew Student-t Distribution

Note the functions are not part of the `fMultivar` package they depend on the "sn" package and are loaded when `fMultivar` is loaded.

NOTE: In the new version of the `fMultivar` package the following two distribution functions `*mvsnorm` (multivariate Normal distribution) and `*mvst` (multivariate Student-t Distribution) will become obsolete together with the `mvFit` parameter estimation function. The functionality is fully covered by the "sn" package. (They will be most likely deprecated in the future.)

For parameter estimation please use the simple wrapper functions:

<code>mscFit</code>	Multivariate Skew Cauchy Fit
<code>msnFit</code>	Multivariate Skew Normal Fit
<code>mstFit</code>	Multivariate Skew Student-t Fit

These parameter estimation functions will be in the same style as all the other fitting functions in other Rmetrics packages.

4 Multivariate GHYP Distributions

We refer to the package "ghyp" authored by David Luethi and Wolfgang Breymann,

5 Utility Functions

We have also added some very useful utility functions for the bivariate case, these include 2-D grid generation, squared and hexagonal binned histograms, 2-D kernel density estimates, bivariate histogram plots:

<code>grid2d</code>	Bivariate Square Grid of Coordinates
<code>binning2d</code>	Bivariate Square/Hexagonal Binning Plot
<code>density2d</code>	Bivariate Kernel Density Plot
<code>hist2d</code>	Bivariate Histogram Plot
<code>gridData</code>	Bivariate gridded data set

For integration we have added two quadratur routines a simple one for the bivariate case and an adaptive one for the multivariate case:

<code>integrate2d</code>	Bivariate Integration
<code>adapt</code>	Multivariate adaptive Quadratur

The function `adapt` is a wrapper to the function `adaptIntegrate` from the new contributed package `cubature` authored by Stephan G. Johnson.

About Rmetrics:

The `fMultivar` Rmetrics package is written for educational support in teaching "Computational Finance and Financial Engineering" and licensed under the GPL.

bvdist-cauchy2d *Bivariate Cauchy Distribution*

Description

Density, distribution function, and random generation for the bivariate Cauchy distribution.

Usage

```
dcauchy2d(x, y, rho = 0)
pcauchy2d(x, y, rho = 0)
rcauchy2d(n, rho = 0)
```

Arguments

x, y	two numeric vectors defining the x and y coordinates.
n	the number of random deviates to be generated, an integer value.
rho	the correlation parameter, a numeric value ranging between minus one and one, by default zero.

Value

pcauchy2d
returns a two column matrix of probabilities for the bivariate Cauchy distribution function.

dcauchy2d
returns a two column matrix of densities for the bivariate Cauchy distribution function.

rcauchy2d
returns a two column matrix of random deviates generated from the bivariate Cauchy distribution function.

Author(s)

Adelchi Azzalini for the underlying pnorm2d function,
Diethelm Wuertz for the Rmetrics R-port.

References

Azzalini A., (2004); *The sn Package*; R Reference Guide available from www.r-project.org.
Venables W.N., Ripley B.D., (2002); *Modern Applied Statistics with S*, Fourth Edition, Springer.

Examples

```
## Bivariate Cauchy Density:
x <- (-40:40)/10
X <- grid2d(x)
z <- dcauchy2d(X$x, X$y, rho = 0.5)
Z <- list(x = x, y = x, z = matrix(z, ncol = length(x)))

## Perspective Density Plot:
persp(Z, theta = -40, phi = 30, col = "steelblue")

## Image Density Plot with Contours:
image(Z, main="Bivariate Cauchy")
contour(Z, add=TRUE)
```

bvdist-elliptical2d *Bivariate Elliptical Densities*

Description

Density function for bivariate elliptical distributions.

Usage

```
delliptical2d(x, y, rho = 0, param = NULL, type = c("norm", "cauchy", "t",
  "logistic", "laplace", "kotz", "epower"), output = c("vector", "list"))
```

Arguments

x, y	two numeric vectors defining the x and y coordinates.
output	output - a character string specifying how the output should be formatted. By default a vector of the same length as u and v. If specified as "list" then u and v are expected to span a two-dimensional grid as outputted by the function grid2d and the function returns a list with elements \$x, y, and z which can be directly used for example by 2D plotting functions.
param	additional parameters to specify the bivariate density function. Only effective for the Kotz and Exponential Power distribution. For the Kotz distribution we can specify a numeric value, by default defined as param=c(r=sqrt(2)), and for the Exponential Power distribution a numeric vector, by default defined as param=c(r=sqrt(2)), s=1/2.
rho	the correlation parameter, a numeric value ranging between minus one and one, by default zero.
type	the type of the elliptical copula. A character string selected from: "norm", "cauchy", "t", "laplace", "kotz", or "epower".

Value

delliptical2d
returns a two column matrix of densities for the selected bivariate elliptical distribution function.

Author(s)

Diethelm Wuertz for the Rmetrics R-port.

References

Azzalini A., (2004); *The sn Package*; R Reference Guide available from www.r-project.org.
Venables W.N., Ripley B.D., (2002); *Modern Applied Statistics with S*, Fourth Edition, Springer.

Examples

```
## delliptical2d -  
# Kotz' Elliptical Density:  
x <- (-40:40)/10  
X <- grid2d(x)  
z <- delliptical2d(X$x, X$y, rho = 0.5, type = "kotz")  
Z <- list(x = x, y = x, z = matrix(z, ncol = length(x)))  
  
## Perspective Plot:  
persp(Z, theta = -40, phi = 30, col = "steelblue")  
  
## Image Plot with Contours:  
image(Z, main = "Bivariate Kotz")  
contour(Z, add=TRUE)  
  
## Internal Density Slider:  
## Not run:  
.delliptical2dSlider()  
  
## End(Not run)
```

bvdist-norm2d

Bivariate Normal Distribution

Description

Density, distribution function, and random generation for the bivariate normal distribution.

Usage

```
dnorm2d(x, y, rho = 0)  
pnorm2d(x, y, rho = 0)  
rnorm2d(n, rho = 0)
```

Arguments

x, y	two numeric vectors defining the x and y coordinates.
n	the number of random deviates to be generated, an integer value.
rho	the correlation parameter, a numeric value ranging between minus one and one, by default zero.

Value

`pnorm2d`
returns a two column matrix of probabilities for the bivariate normal distribution function.

`dnorm2d`
returns a two column matrix of densities for the bivariate normal distribution function.

`rnorm2d`
returns a two column matrix of random deviates generated from the bivariate normal distribution function.

Author(s)

Adelchi Azzalini for the underlying `pnorm2d` function,
Diethelm Wuertz for the Rmetrics R-port.

References

Azzalini A., (2004); *The sn Package*; R Reference Guide available from www.r-project.org.
Venables W.N., Ripley B.D., (2002); *Modern Applied Statistics with S*, Fourth Edition, Springer.

Examples

```
## dnorm2d -
# Bivariate Normal Density:
x <- (-40:40)/10
X <- grid2d(x)
z <- dnorm2d(X$x, X$y, rho = 0.5)
ZD <- list(x = x, y = x, z = matrix(z, ncol = length(x)))
# Perspective Density Plot:
persp(ZD, theta = -40, phi = 30, col = "steelblue")
# Contour Density Plot:
contour(ZD, main="Bivariate Normal Density")

## pnorm2d -
# Bivariate Normal Probability:
z <- pnorm2d(X$x, X$y, rho = 0.5)
ZP <- list(x = x, y = x, z = matrix(z, ncol = length(x)))
# Perspective Plot:
persp(ZP, theta = -40, phi = 30, col = "steelblue")
# Contour Plot:
contour(ZP)
```



```
## rnorm2d -  
# Bivariate Normal Random Deviates  
r <- rnorm2d(5000, rho=0.5)  
# Scatter Plot:  
plot(r, col="steelblue", pch=19, cex=0.5)  
contour(ZD, add=TRUE, lwd=2, col="red")  
# Hexagonal Binning:  
plot(hexBinning(r))  
contour(ZD, add=TRUE, lwd=2, col="black")
```

bvdist-t2d

Bivariate Student-t Distribution

Description

Density, distribution function, and random generation for the bivariate Student-t distribution.

Usage

```
dt2d(x, y, rho = 0, nu = 4)  
pt2d(x, y, rho = 0, nu = 4)  
rt2d(n, rho = 0, nu = 4)
```

Arguments

n	the number of random deviates to be generated, an integer value.
nu	the number of degrees of freedom, a numeric value ranging between two and infinity, by default four.
rho	the correlation parameter, a numeric value ranging between minus one and one, by default zero.
x, y	two numeric vectors defining the x and y coordinates.

Value

pt2d
returns a two column matrix of probabilities for the bivariate Student-t distribution function.

dt2d
returns a two column matrix of densities for the bivariate Student-t distribution function.

rt2d
returns a two column matrix of random deviates generated from the bivariate Student-t distribution function.

Author(s)

Adelchi Azzalini for the underlying pnorm2d function,
Diethelm Wuertz for the Rmetrics R-port.

References

Azzalini A., (2004); *The sn Package*; R Reference Guide available from www.r-project.org.
Venables W.N., Ripley B.D., (2002); *Modern Applied Statistics with S*, Fourth Edition, Springer.

Examples

```
## dt2d -
# Bivariate Student-t Density:
x <- (-40:40)/10
X <- grid2d(x)
z <- dt2d(X$x, X$y, rho = 0.5, nu = 6)
Z <- list(x = x, y = x, z = matrix(z, ncol = length(x)))
# Perspective Plot:
persp(Z, theta = -40, phi = 30, col = "steelblue")
# Contour Plot:
contour(Z)

## pt2d -
# Bivariate Student-t Probability:
x <- (-40:40)/10
X <- grid2d(x)
z <- pt2d(X$x, X$y, rho = 0.5, nu = 6)
Z <- list(x = x, y = x, z = matrix(z, ncol = length(x)))
# Image Plot with Contours:
image(Z)
contour(Z, add=TRUE)
```

mvdist-msc

Multivariate Skew Cauchy Distribution

Description

Density, distribution function, and random number generation for the multivariate Cauchy distribution.

Details

The functions to compute densities `dmsc`, probabilities `pmsc`, and to generate random numbers `rmsc` for the multivariate skew Cauchy distribution are available in the contributed R package `sn` (note, they are no longer builtin in `fMultivar`). The reason is that the performance for these functions in package `sn` has superseded those used before in the package `fMultivar`.

The usage of the `sn` functions is:

```
dmisc(x, xi, Omega, alpha, dp = NULL, log = FALSE)
pmisc(x, xi, Omega, alpha, dp = NULL, ...)
rmisc(n, xi, Omega, alpha, dp = NULL)
```

NOTE: The multivariate skew-normal distribution is discussed by Azzalini and Dalla Valle (1996). The (Ω, α) parametrization adopted here is the one of Azzalini and Capitanio (1999). Chapter 5 of Azzalini and Capitanio (2014) provides an extensive account, including subsequent developments. Be aware that the location vector ξ does not represent the mean vector of the distribution. Similarly, Ω is not the covariance matrix of the distribution, although it is a covariance matrix.

For further details we refer to the help page in the package `sn`.

References

Azzalini, A. and Dalla Valle, A. (1996), The multivariate skew-normal distribution, *Biometrika* 83, 715-726.

Azzalini, A. and Capitanio, A. (1999), Statistical applications of the multivariate skew normal distribution, *Journal Roy. Statist. Soc. B* 61, 579-602, Full-length version available at <http://arXiv.org/abs/0911.2093>

Azzalini, A. with the collaboration of Capitanio, A. (2014), *The Skew-Normal and Related Families*, Cambridge University Press, IMS Monographs Series.

Examples

```
## Not run:
## grid2d -
# Make 2-D Grid Coordinates:
N <- 101
x <- y <- seq(-3, 3, l=N)
X <- cbind(u=grid2d(x)$x, v=grid2d(x)$y)

## Set Parameters:
xi <- c(0, 0)
Omega <- diag(2); Omega[2,1] <- Omega[1,2] <- 0.5
alpha <- c(2, -6)

## dmsc -
# Compute skew Cauchy Density:
z <- sn::dmisc(X, xi, Omega, alpha)
Z <- list(x=x, y=y, z=matrix(z, ncol = length(x)))
# Plot:
image(Z, main = "Skew Cauchy Density")
contour(Z, add=TRUE)
grid(col="red")

## pmisc -
# Compute skew Cauchy Probability:
z <- NULL
for (i in 1:nrow(X)) z <- c(z, sn::pmisc(X[i, ], xi, Omega, alpha)[[1]])
Z <- list(x=x, y=y, z=matrix(z, ncol = length(x)))
# Plot:
image(Z, main = "Skew Cauchy Probability")
```

```

contour(Z, add=TRUE)
grid(col="red")

## rMSC -
# Skew Cauchy Random Deviates:
set.seed(4711)
r <- sn::rmSC(10000, xi, Omega, alpha)
plot(hexBinning(r[, 1], r[, 2]))
# Note, we have fat tails ...

## End(Not run)

```

mvdist-mscFit

Multivariate Skew Cauchy Parameter Estimation

Description

Fitting the parameters for the Multivariate Skew Cauchy Distribution.

Usage

```
mscFit(x, trace=FALSE, title = NULL, description = NULL)
```

Arguments

x	a matrix with "d" columns, giving the coordinates of the point(s) where the density must be evaluated.
trace	a logical value, should the estimation be traced? By default FALSE.
title	an optional project title.
description	an option project description.

Details

This is an easy to use wrapper function using default function settings for fitting the distributional parameters in the framework of the contributed package "sn" written by Adelchi Azzalini.

Starting values for the estimation have not to be provided, they are automatically created.

Examples

```

## Not run:
## Load Library:
require(sn)

## mscFit -
# Fit Example:
N <- 1000
xi <- c(0, 0)
Omega <- diag(2); Omega[2,1] <- Omega[1,2] <- 0.5

```

```

alpha <- c(2, -6)
set.seed(4711)
X <- rmsc(n=N, xi, Omega, alpha)
ans <- mscFit(X)
# Show fitted Parameters:
print(ans)

# 2-D Density Plot:
plot(hexBinning(X[,1], X[, 2], bins = 30), main="Skew Cauchy")
# Add Contours:
N <- 101
x <- seq(min(X[, 1]), max(X[, 1]), l=N)
y <- seq(min(X[, 2]), max(X[, 2]), l=N)
u <- grid2d(x, y)$x
v <- grid2d(x, y)$y
XY <- cbind(u, v)
param <- ans@fit$dp
Z <- matrix(dmssc(XY, param[[1]][1,], param[[2]], param[[3]]), ncol=N)
contour(x, y, Z, add=TRUE, col="green", lwd=2)
grid(col="brown", lty=3)

## Cut the Tails:
CUT <- 25
X <- X[abs(X[, 1]) <= CUT, ]
X <- X[abs(X[, 2]) <= CUT, ]
plot(hexBinning(X[,1], X[, 2], bins = 30), main="Skew Cauchy")
x <- y <- seq(-CUT, CUT, l=N)
u <- grid2d(x, y)$x
v <- grid2d(x, y)$y
XY <- cbind(u, v)
param <- ans@fit$dp
Z <- matrix(dmssc(XY, param[[1]][1,], param[[2]], param[[3]]), ncol=N)
contour(x, y, Z, add=TRUE, col="green", lwd=2)
grid(col="brown", lty=3)
# Try larger cuts ...

## End(Not run)

```

mvdist-msn

Multivariate Skew-Normal Distribution

Description

Density, distribution function, and random number generation for the multivariate Skew-Normal distribution.

Details

The functions to compute densities `dmssc`, probabilities `pmssc`, and to generate random numbers `rmsc` for the multivariate skew Normal distribution are available in the contributed R package `sn` (note,

they are no longer builtin in `fMultivar`). The reason is that the performance for these functions in package `sn` has superseded those used before in the package `fMultivar`.

The usage of the `sn` functions is:

```
dmsn(x, xi, Omega, alpha, tau = 0, dp = NULL, log = FALSE)
pmsn(x, xi, Omega, alpha, tau = 0, dp = NULL, ...)
rmsn(n, xi, Omega, alpha, tau = 0, dp = NULL)
```

NOTE: The multivariate skew-normal distribution is discussed by Azzalini and Dalla Valle (1996). The (Ω, α) parametrization adopted here is the one of Azzalini and Capitanio (1999). Chapter 5 of Azzalini and Capitanio (2014) provides an extensive account, including subsequent developments. Be aware that the location vector \mathbf{x}_i does not represent the mean vector of the distribution. Similarly, Ω is not the covariance matrix of the distribution, although it is a covariance matrix.

For further details we refer to the help page in the package `sn`.

References

Azzalini, A. and Dalla Valle, A. (1996), The multivariate skew-normal distribution, *Biometrika* 83, 715-726.

Azzalini, A. and Capitanio, A. (1999), Statistical applications of the multivariate skew normal distribution, *Journal Roy.Statist.Soc. B* 61, 579-602, Full-length version available at <http://arXiv.org/abs/0911.2093>

Azzalini, A. with the collaboration of Capitanio, A. (2014), *The Skew-Normal and Related Families*, Cambridge University Press, IMS Monographs Series.

Examples

```
## Not run:
## Make 2-D Grid Coordinates:
N <- 101
x <- y <- seq(-3, 3, l=N)
X <- cbind(u=grid2d(x)$x, v=grid2d(x)$y)

## dmsn
# Set Parameters:
xi <- c(0, 0)
Omega <- diag(2); Omega[2,1] <- Omega[1,2] <- 0.5
alpha <- c(2, -6)
# Compute skew Normal Density:
z <- sn::dmsn(X, xi, Omega, alpha)
Z <- list(x=x, y=x, z=matrix(z, ncol = length(x)))
# Plot:
image(Z)
contour(Z)
grid(col="red")

## rmsn -
set.seed(4711)
r <- sn::rmsn(n=5000, xi, Omega, alpha)
plot(hexBinning(r))
contour(Z, add=TRUE, col="darkblue", lwd=2)
```

```

    grid(col="red")

## End(Not run)

```

mvdist-msnFit

Multivariate Skew Normal Parameter Estimation

Description

Fitting the parameters for the multivariate skew Normal distribution.

Usage

```
msnFit(x, trace = FALSE, title = NULL, description = NULL)
```

Arguments

x	a matrix with "d" columns, giving the coordinates of the point(s) where the density must be evaluated.
trace	a logical value, should the estimation be traced? By default FALSE.
title	an optional project title.
description	an option project description.

Details

This is an easy to use wrapper function using default function settings for fitting the distributional parameters in the framework of the contributed package "sn" written by Adelchi Azzalini.

Starting values for the estimation have not to be provided, they are automatically created.

Examples

```

## Not run:
## Load Library:
  require(sn)

## msnFit -
  # Fit Example:
  N <- 1000
  xi <- c(0, 0)
  Omega <- diag(2); Omega[2,1] <- Omega[1,2] <- 0.5
  alpha <- c(2, -6)
  set.seed(4711)
  X <- rmsn(n=N, xi, Omega, alpha)
  ans <- msnFit(X)
  print(ans)

# 2-D Density Plot:
plot(hexBinning(X[,1], X[, 2], bins = 30), main="Skew Normal")

```

```

# Add Contours:
N <- 101
x <- seq(min(X[, 1]), max(X[, 1]), l=N)
y <- seq(min(X[, 2]), max(X[, 2]), l=N)
u <- grid2d(x, y)$x
v <- grid2d(x, y)$y
XY <- cbind(u, v)
param <- ans@fit$estimate
Z <- matrix(dmsn(XY, param[[1]][1,], param[[2]], param[[3]]), ncol=N)
contour(x, y, Z, add=TRUE, col="green", lwd=2)
grid(col="brown", lty=3)

## End(Not run)

```

mvdist-mst

Multivariate Skew Student-t Distribution

Description

Density, distribution function, and random number generation for the multivariate Skew-Student-t distribution.

Details

The functions to compute densities `dmsc`, probabilities `pmsc`, and to generate random numbers `rmsc` for the multivariate skew Student-t distribution are available in the contributed R package `sn` (note, they are no longer builtin in `fMultivar`). The reason is that the performance for these functions in package `sn` has superseded those used before in the package `fMultivar`.

The usage of the `sn` functions is:

```

dmst(x, xi, Omega, alpha, nu = Inf, dp = NULL, log = FALSE)
pmst(x, xi, Omega, alpha, nu = Inf, dp = NULL, ...)
rmst(n, xi, Omega, alpha, nu = Inf, dp = NULL)

```

NOTE: The multivariate skew-normal distribution is discussed by Azzalini and Dalla Valle (1996). The (Ω, α) parametrization adopted here is the one of Azzalini and Capitanio (1999). Chapter 5 of Azzalini and Capitanio (2014) provides an extensive account, including subsequent developments. Be aware that the location vector \mathbf{x}_i does not represent the mean vector of the distribution. Similarly, Ω is not the covariance matrix of the distribution, although it is a covariance matrix.

For further details we refer to the help page in the package `sn`.

References

- Azzalini, A. and Dalla Valle, A. (1996), The multivariate skew-normal distribution, *Biometrika* 83, 715-726.
- Azzalini, A. and Capitanio, A. (1999), Statistical applications of the multivariate skew normal distribution, *Journal Roy.Statist.Soc. B* 61, 579-602, Full-length version available at <http://arXiv.org/abs/0911.2093>

Azzalini, A. with the collaboration of Capitanio, A. (2014), *The Skew-Normal and Related Families*, Cambridge University Press, IMS Monographs Series.

Examples

```
## Not run:
## Make 2-D Grid Coordinates:
N <- 101
x <- y <- seq(-3, 3, l=N)
X <- cbind(u=grid2d(x)$x, v=grid2d(x)$y)

## dmst -
# Set Parameters:
xi <- c(0, 0)
Omega <- diag(2); Omega[2,1] <- Omega[1,2] <- 0.5
alpha <- c(2, -6)
nu <- 4
# Compute skew Student-t Density:
z <- dmst(X, xi, Omega, alpha, nu)
Z <- list(x=x, y=x, z=matrix(z, ncol = length(x)))
# Plot:
image(Z)
contour(Z)
grid(col="red")

## rmst -
set.seed(4711)
r <- rmst(n=5000, xi, Omega, alpha, nu)
plot(hexBinning(r))
contour(Z, add=TRUE, col="darkblue", lwd=2)
grid(col="red")

## End(Not run)
```

mvdist-mstFit

Multivariate Skew Student-t Parameter Estimation

Description

Fitting the parameters for the Multivariate Skew Student-t Distribution

Usage

```
mstFit(x, fixed.nu=NULL, trace=FALSE, title=NULL, description=NULL)
```

Arguments

x a matrix with "d" columns, giving the coordinates of the point(s) where the density must be evaluated.

fixed.nu a positive value to keep fixed the parameter nu of the Student-t distribution in the optimization process; with default value NULL, nu is estimated like the other parameters.

trace a logical value, should the estimation be traced? By default FALSE.

title an optional project title.

description an option project description.

Details

This is an easy to use wrapper function using default function settings for fitting the distributional parameters in the framework of the contributed package "sn" written by Adelchi Azzalini.

Starting values for the estimation have not to be provided, they are automatically created.

Examples

```
## Not run:
## Load Library:
require(sn)

## mstFit -
# Fit Example:
N <- 1000
xi <- c(0, 0)
Omega <- diag(2); Omega[2,1] <- Omega[1,2] <- 0.5
alpha <- c(2, -2)
nu <- 4
set.seed(4711)
X <- rmst(n=N, xi, Omega, alpha, nu=4)
ans <- mstFit(X)
# Show fitted Parameters:
print(ans)

# 2-D Density Plot:
plot(hexBinning(X[,1], X[, 2], bins = 30), main="Skew Student-t")
# Add Contours:
N <- 101
x <- seq(min(X[, 1]), max(X[, 1]), l=N)
y <- seq(min(X[, 2]), max(X[, 2]), l=N)
u <- grid2d(x, y)$x
v <- grid2d(x, y)$y
XY <- cbind(u, v)
param <- ans@fit$dp
Z <- matrix(dmst(
  XY, param[[1]][1,], param[[2]], param[[3]], param[[4]]), ncol=N)
contour(x, y, Z, add=TRUE, col="green", lwd=2)
grid(col="brown", lty=3)

## mstFit -
# Fit Example with fixed nu=4:
ans <- mstFit(X, fixed.nu=4)
# Show fitted Parameters:
```

```

print(ans)

# 2-D Density Plot:
plot(hexBinning(X[,1], X[, 2], bins = 30), main="Student-t | fixed nu")
# Add Contours:
param <- ans@fit$dp
Z <- matrix(dmst(
  XY, param[[1]][1,], param[[2]], param[[3]], nu=4), ncol=N)
contour(x, y, Z, add=TRUE, col="green", lwd=2)
grid(col="brown", lty=3)

## End(Not run)

```

utils-adapt

Integrator for multivariate distributions

Description

The function is for adaptive quadrature.

Usage

```
adapt(ndim, lower, upper, functn, ...)
```

Arguments

ndim	the dimension of the integral. By default NULL, no longer used.
lower	vector of at least length ndim of the lower bounds on the integral.
upper	vector of at least length ndim of the upper bounds on the integral.
functn	an R function which should take a single vector argument and possibly some parameters and return the function value at that point. functn must return a single numeric value.
...	other parameters to be passed to the underlying function.

Value

The returned value is a list of three items:

integral	the value of the integral.
error	the estimated relative error.
functionEvaluations	the number of times the function was evaluated.
returnCode	the actual integer return code of the C routine.

Note

In 2007 the package `adapt` was removed from the CRAN repository, due to unclear license conditions. Nevertheless, formerly available versions can still be obtained from the CRAN [archive](#). Package `adapt` used FORTRAN code from Professor Genz.

From 2007 until 2013 the package `fMultivar` used an builtin licensed by Professor Genz to Rmetrics. This version is still available in the current package, have a look into the folder `deprecated`.

2013 the contributed package `cubature` was added to the CRAN repository. This provides an alternative n-dimensional integration routine. We recommend to use the function `adaptIntegrate` directly from the package `cubature` which allows adaptive multivariate integration over hypercubes. It is a wrapper around the pure C, GPLed implementation by Steven G. Johnson.

Since 2014 `fMultivar` uses also the C Version based implementation of Johnson. The former function `adapt` has been replaced by a wrapper function calling `adaptIntegrate`. The arguments `ndim`, `lower`, `upper`, and `functn` have been remained the same, control parameters have been adapted to the function `cubature::adaptIntegrate`.

Author(s)

Balasubramanian Narasimhan

References

See: <http://ab-initio.mit.edu/wiki/index.php/Cubature>.

Examples

```
## Check that dnorm2d is normalized:

# Normal Density:
density <- function(x) dnorm2d(x=x[1], y = x[2])

# Calling Cubature:
BIG <- c(99, 99)
cubature::adaptIntegrate(f=density, lowerLimit=-BIG, upperLimit=BIG)
cubature::adaptIntegrate(f=density, low=-BIG, upp=BIG, tol=1e-7)

# Using the Wrapper:
adapt(lower=-BIG, upper=BIG, functn=density)
adapt(lower=-BIG, upper=BIG, functn=density, tol=1e-7)$integral
```

utils-binning2

Square and Hexagonal Data Binning

Description

Two functions which allow to create histograms due to square and hexagonal binning.

Usage

```

squareBinning(x, y = NULL, bins = 30)
hexBinning(x, y = NULL, bins = 30)

## S3 method for class 'squareBinning'
plot(x, col = heat.colors(12), addPoints = TRUE,
      addRug = TRUE, ...)
## S3 method for class 'hexBinning'
plot(x, col = heat.colors(12), addPoints = TRUE,
      addRug = TRUE, ...)

```

Arguments

addPoints	a logical flag, should the center of mass points added to the plot?
addRug	a logical flag, should a rug representation be added to the plot, for details see the function rug.
bins	an integer specifying the number of bins.
col	color map like for the image function.
x, y	[squareBinning][hexBinning] - either two numeric vectors of equal length or if y is NULL, a list with entries x, y, or named data frame with x in the first and y in the second column. Note, timeSeries objects are also allowed as input.
	[plot] - an object of class squareBinning or hexBinning.
...	arguments to be passed.

Details

squareBinning does a square binning of data points, and hexBinning does a hexagonal binning of data points.

Value

A list with three entries, x, y and z, specified by an object of class squareBinning or hexBinning. Note, the returned value, can be directly used by the persp() and contour 3D plotting functions.

Author(s)

Diethelm Wuertz for the Rmetrics R-port.

Examples

```

## squareBinning -
sB <- squareBinning(x = rnorm(1000), y = rnorm(1000))
plot(sB)

## hexBinning -

```

```
hB <- hexBinning(x = rnorm(1000), y = rnorm(1000))
plot(hB)
```

utils-density2d

Bivariate Density Tools

Description

Kernel density estimator and histogram counter for bivariate distributions

Usage

```
density2d(x, y = NULL, n = 20, h = NULL, limits = c(range(x), range(y)))
```

```
hist2d(x, y = NULL, n = c(20, 20))
```

Arguments

x, y	two vectors of coordinates of data. If y is NULL then x is assumed to be a two column matrix, where the first column contains the x data, and the second column the y data.
n	n - an integer specifying the number of grid points in each direction. The default value is 20. [hist2D] - In this case n may be a scalar or a two element vector. The default value is 20.
h	a vector of bandwidths for x and y directions. Defaults to normal reference bandwidth.
limits	the limits of the rectangle covered by the grid.

Value

density2d and hist2d return a list with three elements \$x, \$y, and \$z. x and y are vectors spanning the two dimensional grid and z the corresponding matrix. The output can directly serve as input to the plotting functions image, contour and persp.

Author(s)

W.N. Venables and B.D. Ripley for the underlying kde2d function,
Gregory R. Warnes for the underlying hist2d function,
Diethelm Wuertz for the Rmetrics R-port.

References

Azzalini A., (2004); *The sn Package*; R Reference Guide available from www.r-project.org.
Venables W.N., Ripley B.D., (2002); *Modern Applied Statistics with S*, Fourth Edition, Springer.
Warnes G.R., (2004); *The gregmisc Package*; R Reference Guide available from www.r-project.org.

Examples

```
## hist2d -  
# Normal Random Numbers:  
set.seed(4711)  
X <- rnorm2d(40000)  
# 2D Histogram Plot:  
Z <- hist2d(X)  
image(Z)  
contour(Z, add=TRUE)
```

utils-grid2d

Bivariate Density Tools

Description

Grid generator for bivariate distributions.

Usage

```
grid2d(x = (0:10)/10, y = x)
```

Arguments

x, y two numeric vectors defining the x and y coordinates.

Value

grid2d returns a list with two vectors named \$x and \$y spanning the grid defined by the coordinate vectors x and y.

Author(s)

Diethelm Wuertz.

Examples

```
## grid2d -  
# Create a square grid:  
x <- seq(0, 10, length = 6)  
X <- grid2d(x = x, y = x)  
cbind(X$x, X$y)
```

Description

Functions which allow to generate bivariate gridded data sets.

Grid Data Functions:

gridData	generates a grid data set of class 'gridData',
persp	generates a perspective plot from a grid data set,
contour	generates a contour plot from a grid data set.

Usage

```
gridData(x = (-10:10)/10, y = x, z = outer(x, y, function(x, y) (x^2+y^2) ))

## S3 method for class 'gridData'
persp(x, theta = -40, phi = 30, col = "steelblue",
      ticktype = "detailed", ...)
## S3 method for class 'gridData'
contour(x, addImage = TRUE, ...)
```

Arguments

addImage	[contour] - a logical flag indicating if an image plot should be underlayed to the contour level plot.
x, y, z	[gridData] - x and y are two numeric vectors of grid points and z is a numeric matrix or any other rectangular object which can be transformed by the function as.matrix into a matrix object.
theta, phi, col, ticktype	[persp] - tailored parameters passed the perspective plot function persp.
...	[contour][persp] - additional arguments to be passed to the perspective and countour plot functions.

Value

gridData -
A list with at least three entries, x, y and z.

The returned values, can be directly used by the persp.gridData() and contour.gridData 3D plotting methods.

Author(s)

Diethelm Wuertz for the Rmetrics R-port,
H. Akima for the Fortran Code of the Akima spline interpolation routine.

Examples

```
## gridData -
# Grid Data Set:
gD = gridData()
persp(gD)
contour(gD)
```

utils-integrate2d *Bivariate Integration Tools*

Description

Integrates over the unit square.

Usage

```
integrate2d(fun, error = 1.0e-5, ...)
```

Arguments

fun	the function to be integrated. The first argument requests the x values, the second the y values, and the remaining are reserved for additional parameters. The integration is over the unit square "[0,1]^2".
error	the error bound to be achieved by the integration formula. A numeric value.
...	parameters passed to the function to be integrated.

Value

integrate2d returns a list with the \$value of the integral over the unit square [0,1]^2, an \$error estimate and the number of grid \$points used by the integration function.

Author(s)

W.N. Venables and B.D. Ripley for the underlying kde2d function,
Gregory R. Warnes for the underlying hist2d function,
Diethelm Wuertz for the Rmetrics R-port.

References

Azzalini A., (2004); *The sn Package*; R Reference Guide available from www.r-project.org.
Venables W.N., Ripley B.D., (2002); *Modern Applied Statistics with S*, Fourth Edition, Springer.
Warnes G.R., (2004); *The gregmisc Package*; R Reference Guide available from www.r-project.org.

Description

Alternative density, distribution function, and random generation for the multivariate Normal distribution.

Details

The multivariate distribution functions to compute densities `dmvnorm`, probabilities `pmvnorm`, and to generate random numbers `rmvnorm` are available from the contributed R package `mvtnorm`. The function `qmvnorm` computes the equicoordinate quantile function of the multivariate normal distribution for arbitrary correlation matrices based on inversion of `pmvnorm`.

```
dmvnorm(x, mean, sigma, <<...>>
pmvnorm(<<...>>)
qmvnorm(p, <<...>>)
rmvnorm(n, mean, sigma, <<...>>)
```

NOTE: The function are not builtin in the package `fMultivar`. Fur details we refer to the help page of `mvtnorm`.

Author(s)

Friedrich Leisch and Fabian Scheipl.

Examples

```
## Not run:
## Load Libray:
  require(mvtnorm)

## dmvnorm -
  # Multivariate Normal Density Function:
  mean <- c(1, 1)
  sigma <- matrix(c(1, 0.5, 0.5, 1), ncol=2)
  dmvnorm(x = c(0, 0),mean, sigma)

## dmvnorm -
  # Across a Grid:
  x <- seq(-4, 4, length=90)
  X <- grid2d(x)
  X <- cbind(X$x, X$y)
  # Write Density Function:
  dmvnorm.<- function(X, mean, sigma)
    matrix(apply(X, 1, dmvnorm, mean=mean, sigma=sigma), ncol=sqrt(dim(X)[1]))
  z <- dmvnorm.(X, mean, sigma)
  contour(list(x = x, y = x, z = z))
```

```
## qmvnorm -
# Equicoordinate Quantile Function:
qmvnorm(p = 0.95, sigma = diag(2), tail = "both")

## rmvnorm -
# Random Numbers:
sigma <- matrix(c(4, 2, 2, 3), ncol=2)
x <- rmvnorm(n = 500, mean = c(1, 2), sigma = sigma)
colMeans(x)
var(x)
# Next Generation:
x <- rmvnorm(n = 500, mean = c(1, 2), sigma = sigma, method = "chol")
colMeans(x)
var(x)
plot(x, cex=0.5, pch=19, col="steelblue")

## End(Not run)
```

zzz-mvstnorm

*Obsolete Functions***Description**

Obsolete Functions: Alternative multivariate distribution and parameter estimation functions for the skew normal and skew Student-t distribution functions.

Usage

```
dmvsnorm(x, dim=2, mu=rep(0, dim), Omega=diag(dim), alpha=rep(0, dim))
pmvsnorm(q, dim=2, mu=rep(0, dim), Omega=diag(dim), alpha=rep(0, dim))
rmvsnorm(n, dim=2, mu=rep(0, dim), Omega=diag(dim), alpha=rep(0, dim))

dmvst(x, dim=2, mu=rep(0, dim), Omega=diag(dim), alpha=rep(0, dim), df=4)
pmvst(q, dim=2, mu=rep(0, dim), Omega=diag(dim), alpha=rep(0, dim), df=4)
rmvst(n, dim=2, mu=rep(0, dim), Omega=diag(dim), alpha=rep(0, dim), df=4)

mvFit(x, method = c("snorm", "st"), fixed.df = NA,
      title = NULL, description = NULL, trace = FALSE)
```

Arguments

x, q	the vector of quantiles, a matrix with "dim" columns.
n	the number of desired observations.
dim	the dimension, by default the bivariate case is considered where dim=2
mu, Omega, alpha, df	mu is a numeric vector of length "dim" representing the location parameter of the distribution, Omega is a symmetric positive-definite matrix of dimension "d" times "d", alpha is a numeric vector which regulates the the slant of the density, df a positive value representing the degrees of freedom.

method	selects the type of distribution function, either "snorm" which is the default, or "st".
fixed.df	set to a positive value to keep fixed the parameter nu of the skew student-t distribution in the optimization process; with default value NULL, i.e. nu is estimated like the other parameters.
title	an optional project title.
description	an option project description.
trace	a logical, should the estimation be traced?

Details

The former implementations have been replaced by wrapper functions calling functions from the package "sn".

Value

dm* gives the density, pm* gives the distribution function, and rm* generates n random deviates of dimension dim

mVFit returns an object of class FDISTFEED, see package fBasics.

Examples

```
## Not run:
## Load Libray:
  require(mvtnorm)

## [dr]mvsnorm -
  dmvsnorm(rnorm2d(100))
  rmvsnorm(100)

## [dr]mvst -
  dmvst(rt2d(100))
  rmvst(100)

## End(Not run)
```

Description

Alternative density, distribution function, and random generation for the multivariate Student-t distribution.

Details

The functions to compute densities `dmvt`, probabilities `pmvt`, and to generate random numbers `rmvt` are available from the contributed R package `mvtnorm`. The function `qmvt` computes the equicoordinate quantile function of the multivariate normal distribution for arbitrary correlation matrices based on inversion of `pmvt`.

```
dmvt(x, delta, sigma, df, <<...>>)
pmvt(<<...>>)
rmvt(n, sigma, df, delta, <<...>>)
```

NOTE: The function are not builtin in the package `fMultivar`. Fur details we refer to the help page of `mvnorm`.

Author(s)

Alan Genz, Frank Bretz, Tetsuhisa Miwa, Xuefei Mi, Friedrich Leisch, Fabian Scheipl, Bjoern Bornkamp, Torsten Hothorn.

References

McNeil, A. J., Frey, R., and Embrechts, P. (2005), *Quantitative Risk Management: Concepts, Techniques, Tools*, Princeton University Press.

Examples

```
## Not run:
## Load Libray:
  require(mvtnorm)

## dmvt -
  # basic evaluation
  dmvt(x = c(0,0), sigma = diag(2))

## dmvt | dmvtnorm -
  # check behavior for df=0 and df=Inf
  x <- c(1.23, 4.56)
  mu <- 1:2
  Sigma <- diag(2)
  x0 <- dmvt(x, delta = mu, sigma = Sigma, df = 0) # default log = TRUE!
  x8 <- dmvt(x, delta = mu, sigma = Sigma, df = Inf) # default log = TRUE!
  xn <- dmvtnorm(x, mean = mu, sigma = Sigma, log = TRUE)
  stopifnot(identical(x0, x8), identical(x0, xn))

## rmvt -
  # X ~ t_3(0, diag(2))
  x <- rmvt(100, sigma = diag(2), df = 3) # t_3(0, diag(2)) sample
  plot(x)

## rmvt -
  # X ~ t_3(mu, Sigma)
  n <- 1000
```

```
mu <- 1:2
Sigma <- matrix(c(4, 2, 2, 3), ncol=2)
set.seed(271)
x <- rep(mu, each=n) + rmvt(n, sigma=Sigma, df=3)
plot(x)

## rmvt -
# Note that the call rmvt(n, mean=mu, sigma=Sigma, df=3) does *not*
# give a valid sample from  $t_3(\mu, \Sigma)$ ! [and thus throws an error]
try(rmvt(n, mean=mu, sigma=Sigma, df=3))

## rmvnorm -
# df=Inf correctly samples from a multivariate normal distribution
set.seed(271)
x <- rep(mu, each=n) + rmvt(n, sigma=Sigma, df=Inf)
set.seed(271)
x. <- rmvnorm(n, mean=mu, sigma=Sigma)
stopifnot(identical(x, x.))

## End(Not run)
```

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