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APPLICATION OF THE PEAKS-OVER-THRESHOLD METHOD ON ANALYSIS OF GOLD PRICE[1]

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Abstract: Financial markets and financial instruments have experienced many changes during the last decades. But despite these developments, the gold has begun to regain its historical significance in recent years. This study includes a brief introduction to the importance of gold for the global financial system and to the method of surpluses exceeding the maximum threshold, as well as its application in the analysis of the market risk for gold price. A forecast assessment of the Value at Risk and the Expected Shortfalls for the period of years from 2021 to 2030 has been made. An ordinary differential equation and cftool in Matlab were also applied in calculations of the predictive estimates of VaR and ES.

Keywords: Gold, Model, XAU, Price, Peak, Over, Threshold, Method, POT, 1971, 2020, ODE, Ordinary, Differential, Equations, VaR, Risk, Value, ES, Expected, Shortfall, New, Bretton, Woods, Matlab, Market, Financial, Risk.

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