

*A Factor Autoregressive Conditional Density Model*  
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**Abstract.** A new Factor Autoregressive Conditional Density Model using Independent components Analysis is presented, merging and extending research in univariate modelling with higher moments and Generalized Orthogonal Factor modelling. Using the Normal Inverse Gaussian as our chosen distribution, we show how to generate both the conditional co-moments and the convoluted density for use in portfolio and risk management applications.