

THE CHINESE UNIVERSITY OF HONG KONG

Department of Statistics

will present a seminar entitled

Estimating the degree of activity of jumps in high frequency financial data

by

**Professor Yacine Ait-Sahalia
Princeton University**

on

**Tuesday, 8 July 2008
2:00pm – 3:00pm**

in

**Lady Shaw Building C1
The Chinese University of Hong Kong**

Abstract:

We define a generalized index of jump activity, propose estimators of that index for a discretely sampled process, and derive the estimators' properties. These estimators are applicable despite the presence of Brownian volatility in the process, which makes it more challenging to infer the characteristics of the small, infinite activity, jumps. When the method is applied to high frequency stock returns, we find evidence of infinitely active jumps in the data and estimate their index of activity.

All are Welcome