The University of Chicago

Department of Statistics

Seminars for Second Year Ph.D. Students

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**Inference for Continuous Semimartingales
Observed at High Frequency**

**THURSDAY, April 9, 2009, at 4:30 PM
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ABSTRACT

The econometric literature of high frequency data often relies on moment estimators which are derived from assuming local constancy of volatility and related quantities. This paper studies this local-constancy approximation as a general approach to estimation in such data. It shows that the technique yields asymptotic properties that are correct subject to an ex post adjustment involving asymptotic likelihood ratios. These adjustments are given and an example is provided.