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Statistical Properties of Equity Transaction Data

Gunnar Höglund*

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Abstract

This Master's thesis examines arrival times between trades of shares in the Microsoft stock during the year 2000 from a descriptive statistical perspective. Instead of ignoring transactions that occur during the same second we develop tools for handling floored stochastic processes. We conclude that the arrival times in short sequences of intraday trades are iid and likely from a scalable distribution. The gamma distribution is shown to fit the arrival times well but we can not statistically prove that this is the case.

*Postal address: Mathematical Statistics, Stockholm University, SE-106 91, Sweden.
E-mail: gunnar.hoglund@gmail.com. Supervisor: Joanna Tyrcha.

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