

A practitioner's perspective on bid-ask bounce

There are several famous “stylized” facts in market microstructure data. Among them, the bid-ask bounce has been seriously used in modeling the price dynamics. For example, Roll (1984), Hasbrouck (2004), Ait-Sahalia, Mykland and Zhang (2005) and many others. In this talk, I will present a review on some of these academic approaches from a practitioner's perspective.