

Gustav Haitz, Nikolaus Hautsch and Ingmar Nolte - Order book dynamics of high frequency asset price jumps.

We identify jumps in high frequency asset price returns based on an adjusted local jump test in the spirit of Lee and Mykland (2008) and Bos et al. (2011). We account for dependence in microstructure noise and diurnal patterns in both latent and microstructure noise variance. The analysis of order dynamics is based on the limit order book of stocks traded on NASDAQ as provided by LOBSTER.