LONG MEMORY IN STOCK TRADING
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Abstract

Using a relationship between the moments of the probability distribution of times between the two consecutive trades (intertrade time distribution) and the moments of the distribution of a daily number of trades we show, that the underlying point process is an essentially long-memory non-markovian one. The considered data set includes all trades in Siemens, Commerzbank and Karstadt stocks on the Xetra electronic stock exchange of Deutsche Boerse in October 2002.