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Nota di contenuto	Frontmatter -- Contents -- Preface -- 1. Introduction -- Part I. Foundations -- 2. Prices and Returns -- 3. Stochastic Processes: Definitions and Examples -- 4. Stylized Facts for Financial Returns -- Part II. Conditional Expected Returns -- 5. The Variance-Ratio Test of the RandomWalk Hypothesis -- 6. Further Tests of the RandomWalk Hypothesis -- 7. Trading Rules and Market Efficiency -- Part III. Volatility Processes -- 8. An Introduction to Volatility -- 9. ARCH Models: Definitions and Examples -- 10. ARCH Models: Selection and Likelihood Methods -- 11. Stochastic Volatility Models -- Part IV. High-Frequency Methods -- 12. High-Frequency Data and Models -- Part V. Inferences from Option Prices -- 13. Continuous-Time Stochastic Processes -- 14. Option Pricing Formulae -- 15. Forecasting Volatility -- 16. Density Prediction for Asset Prices -- Symbols -- References -- Author Index -- Subject Index
Sommario/riassunto	This book shows how current and recent market prices convey information about the probability distributions that govern future prices. Moving beyond purely theoretical models, Stephen Taylor applies methods supported by empirical research of equity and foreign exchange markets to show how daily and more frequent asset prices,

and the prices of option contracts, can be used to construct and assess predictions about future prices, their volatility, and their probability distributions. Stephen Taylor provides a comprehensive introduction to the dynamic behavior of asset prices, relying on finance theory and statistical evidence. He uses stochastic processes to define mathematical models for price dynamics, but with less mathematics than in alternative texts. The key topics covered include random walk tests, trading rules, ARCH models, stochastic volatility models, high-frequency datasets, and the information that option prices imply about volatility and distributions. Asset Price Dynamics, Volatility, and Prediction is ideal for students of economics, finance, and mathematics who are studying financial econometrics, and will enable researchers to identify and apply appropriate models and methods. It will likewise be a valuable resource for quantitative analysts, fund managers, risk managers, and investors who seek realistic expectations about future asset prices and the risks to which they are exposed.