Hou 2020

* Uses “the most advanced stochastic volatility (SV) models”: SVCJ and BR.
* Note that BR is a generalization of the SVCJ model.
* Finds that jumps are present in both returns and variance.
* Existing studies find negative leverage effects but they find the correlation between returns and volatilities is positive in SVCJ model but not in the BR model.
* For BTC, jump size in return and variance is negatively correlated
* Metropolis hastings to sample posterior of SV Vt parameters. 5000 iterations total.
* Models joint jumps between returns in BTC and volatility of BTC; not inter-market jumps
* We don’t model jumps in volatility…
* But we do propose the PGAS. Did Fulop use PGAS? I don’t think so, she used something else that was way more computationally intensive. Need to capitalize on our pgas contribution.