Slides

1. Title page. Ben & Hersh, “Herd Behavior in High-Frequency Markets”

2. Quick definition of herding. “When traders ignore their private information and follow competitors’ actions”

3. Relevance. Herding is a strategy used to minimize risk and also as a more reckless gamble. i.e. bubbles.

4. Citations. Empirical evidence showing herding exists in real markets, theoretical work modeling this behavior.

5. Shortcomings of prior work. Not really applicable to HFT data, focuses on human elements (so doesn’t explain algorithms), volume ignored

6. Our contribution. Been collecting price/volume data, going to experiment with a model which assumes trade volume as a key predictor.

7. Almgren graph showing what we expect to see?

8. The end. We don’t have any results yet so this is the last slide. Maybe we should get results.