Nearby and deferred quotes: What they tell us about linkages and adjustments to information

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# Introduction

Can we make the citations and biliography work (Hasbrouck 2006; Easley, Prado and O’Hara 2011)?

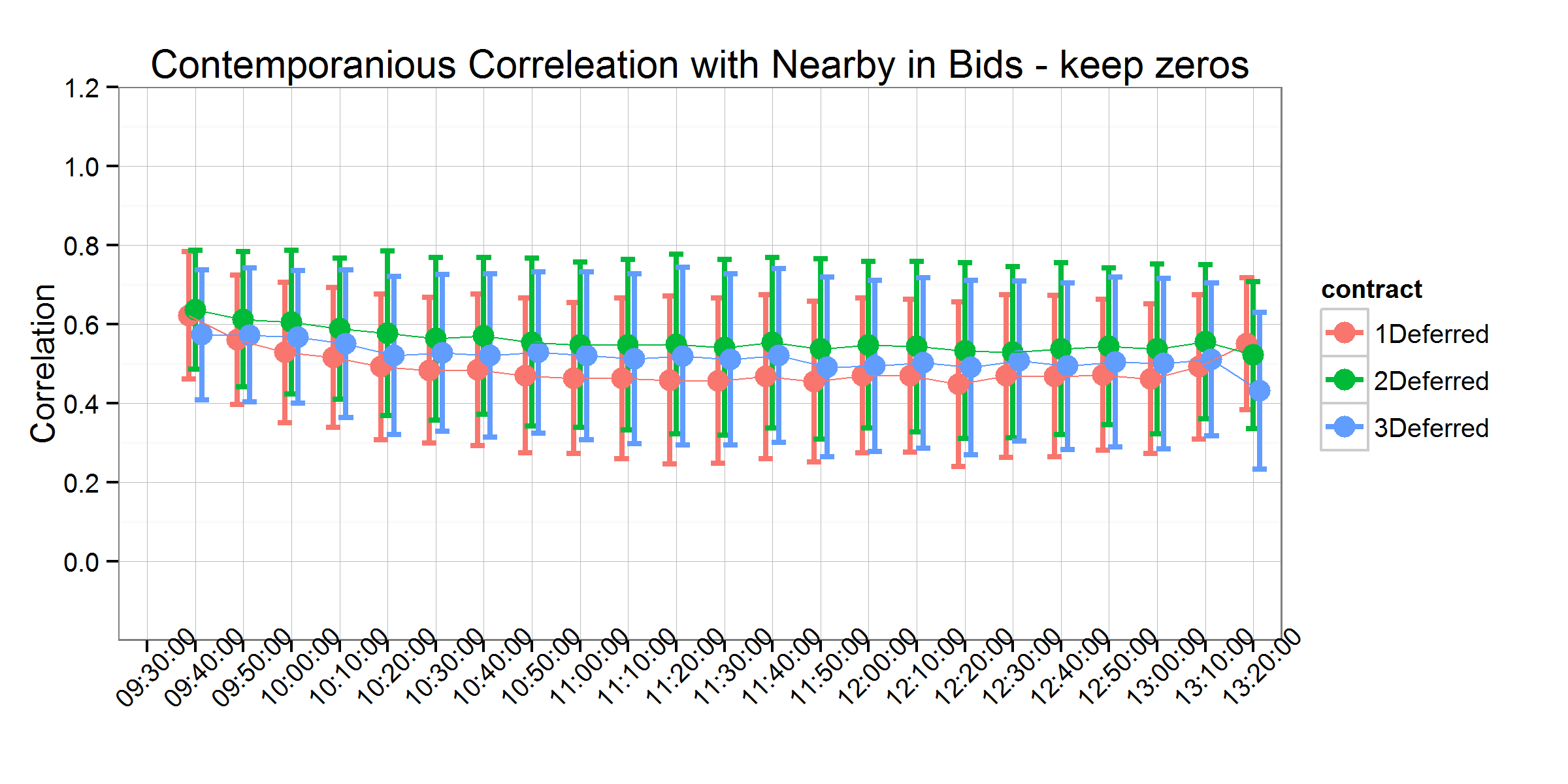
# Literature Review

# Data

# Analysis

# Results

## Contemporaneous Correlation



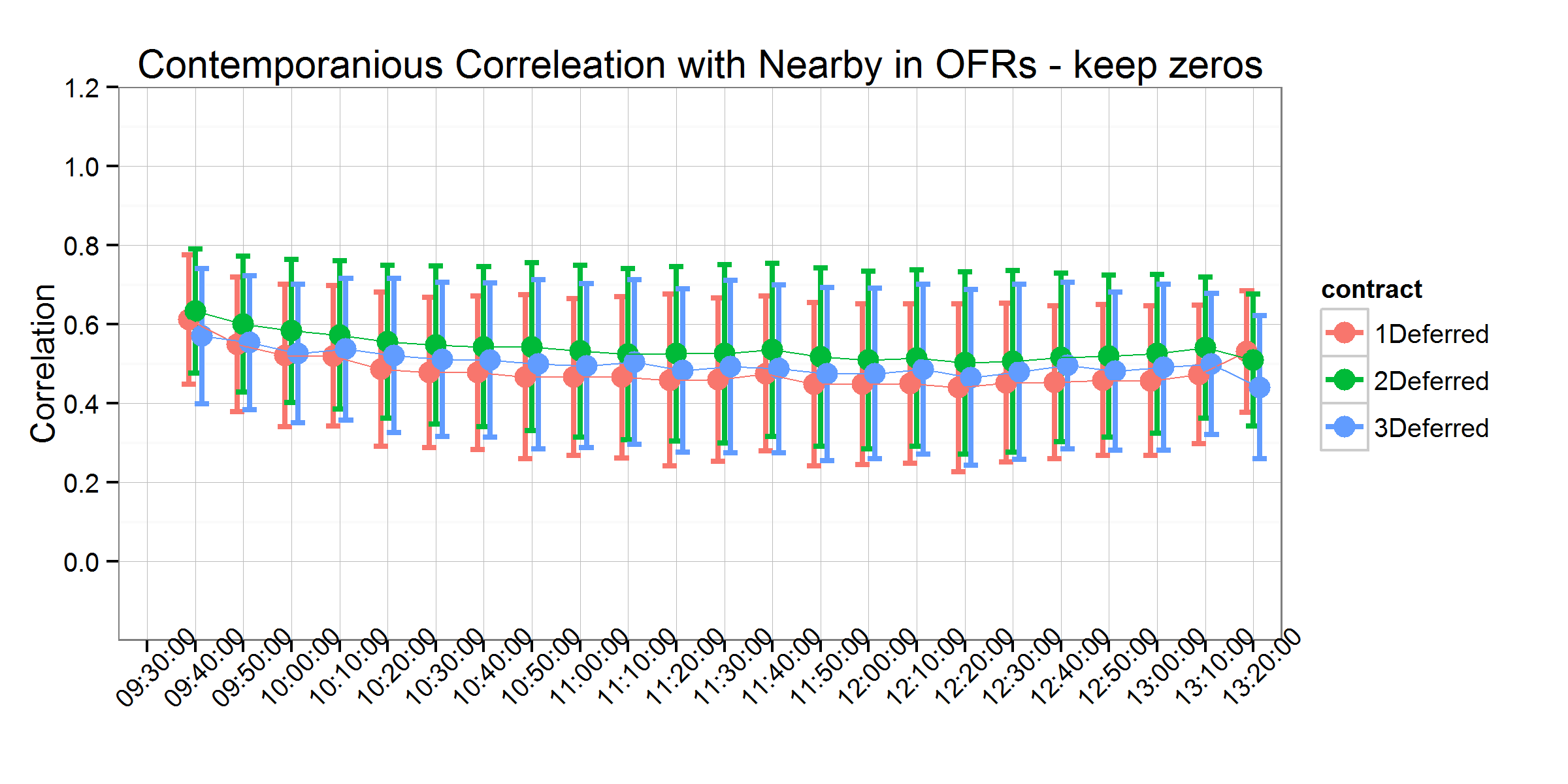
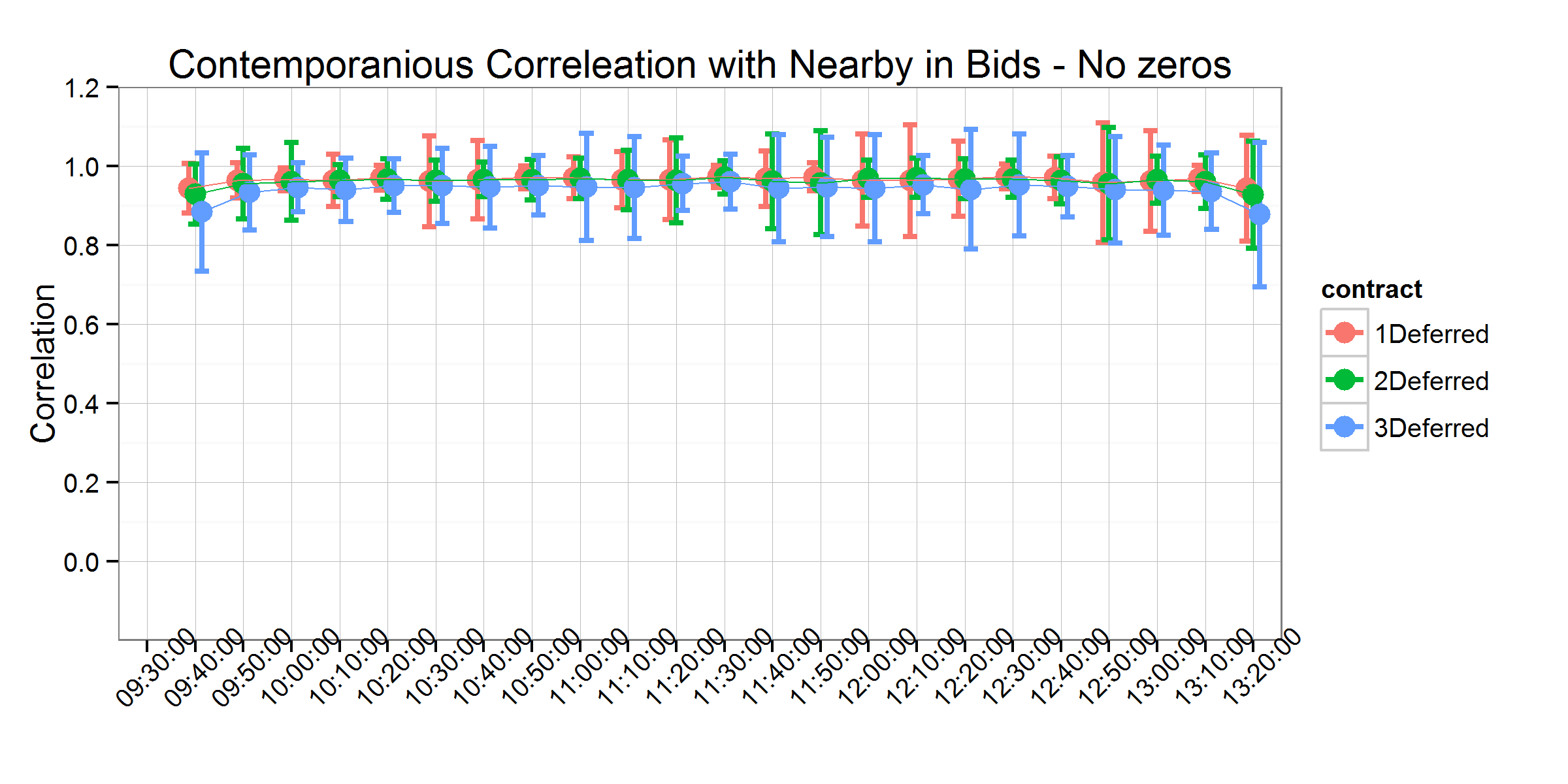


Figure 1. Contemporaneous Correlation with Nearby - Keep Zeros



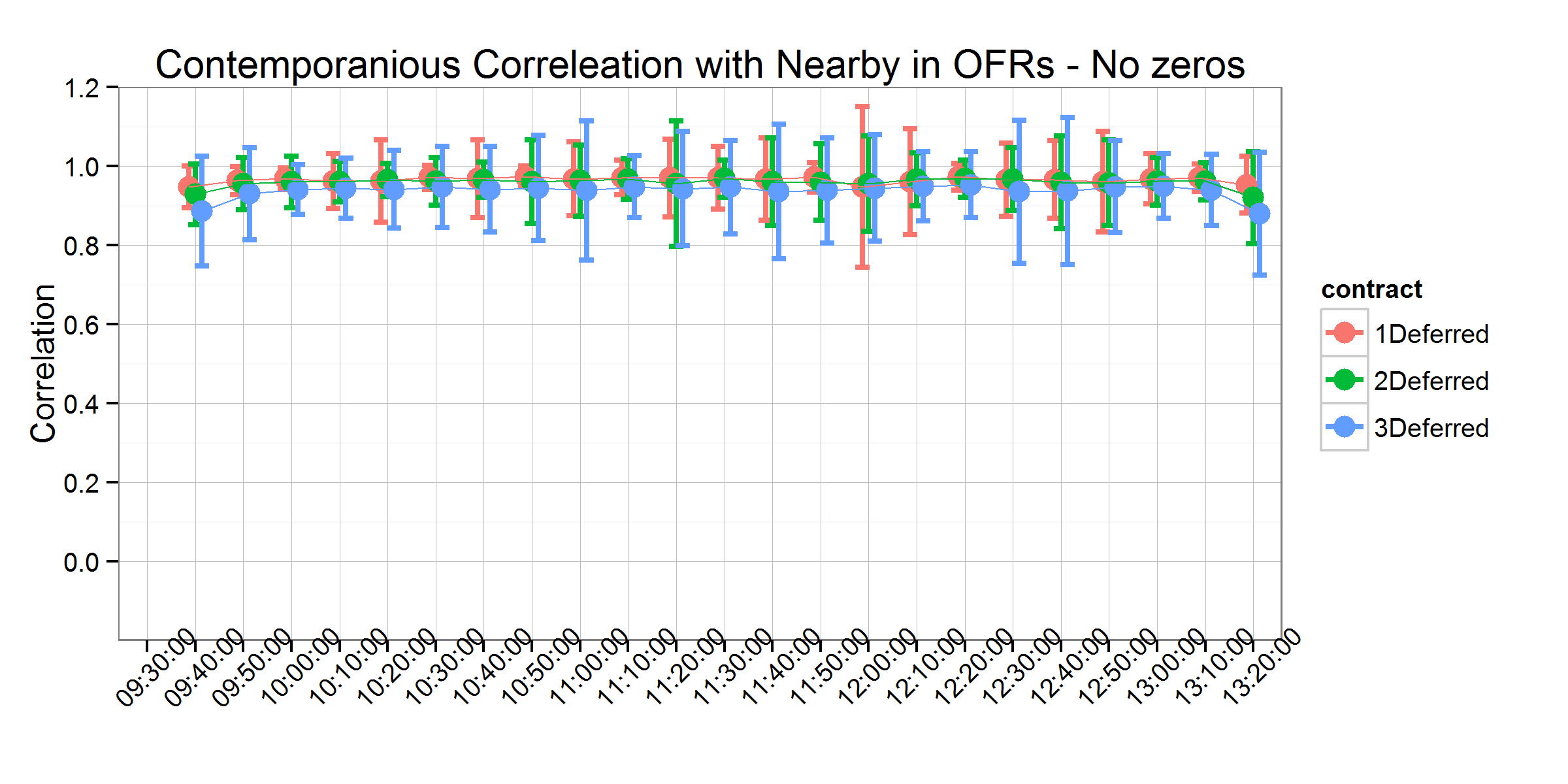


Figure 2. Contemporaneous Correlation with Nearby - No Zeros

## Contemporaneous Correlation on USDA Report Days





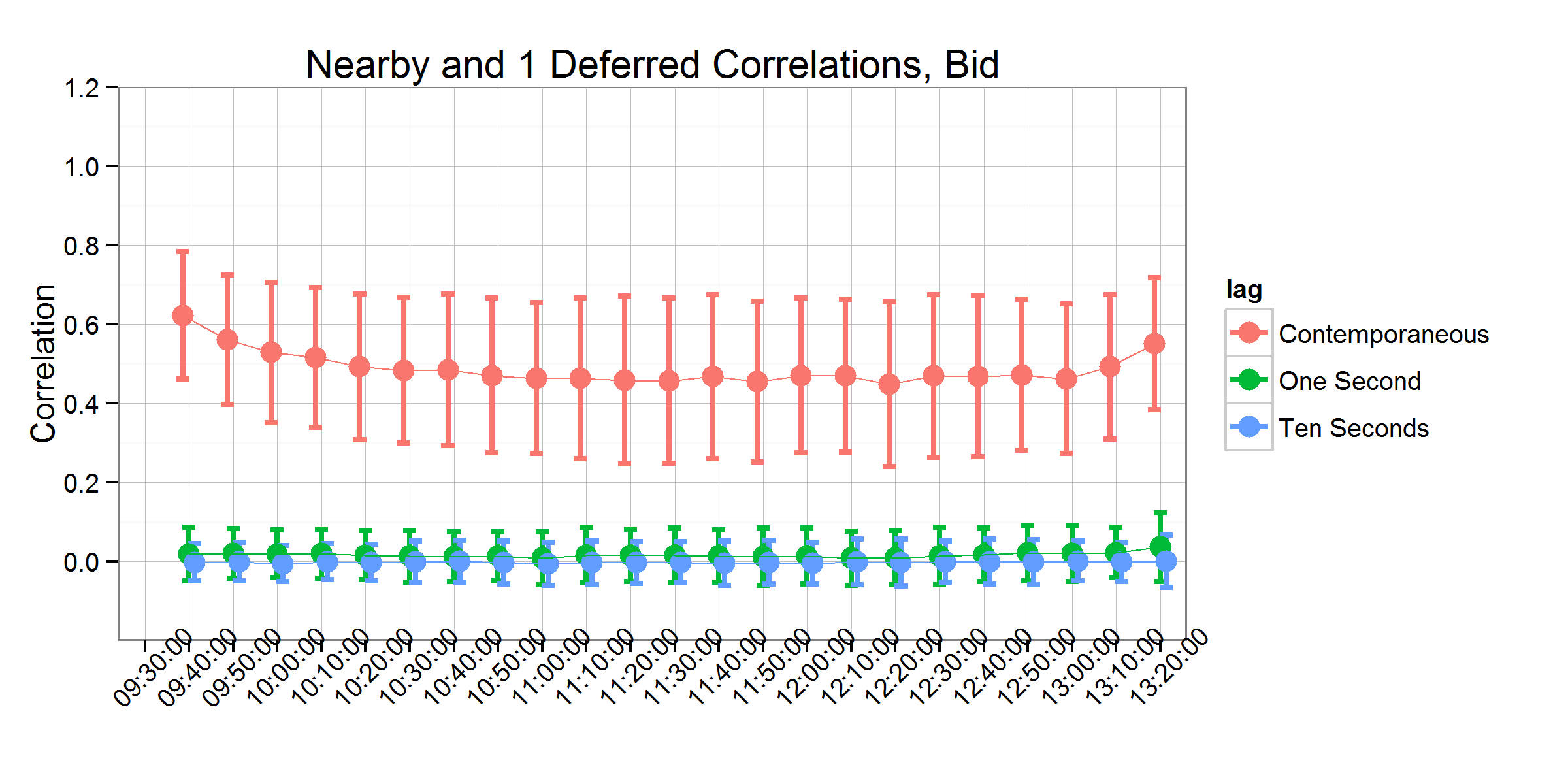
Figure 3. Contemporaneous Correlation with Nearby on USDA Report Days - Keep Zeros





Figure 4. Contemporaneous Correlation with Nearby on USDA Report Days - No Zeros

## Contemporaneous and Time-lagged Correlations



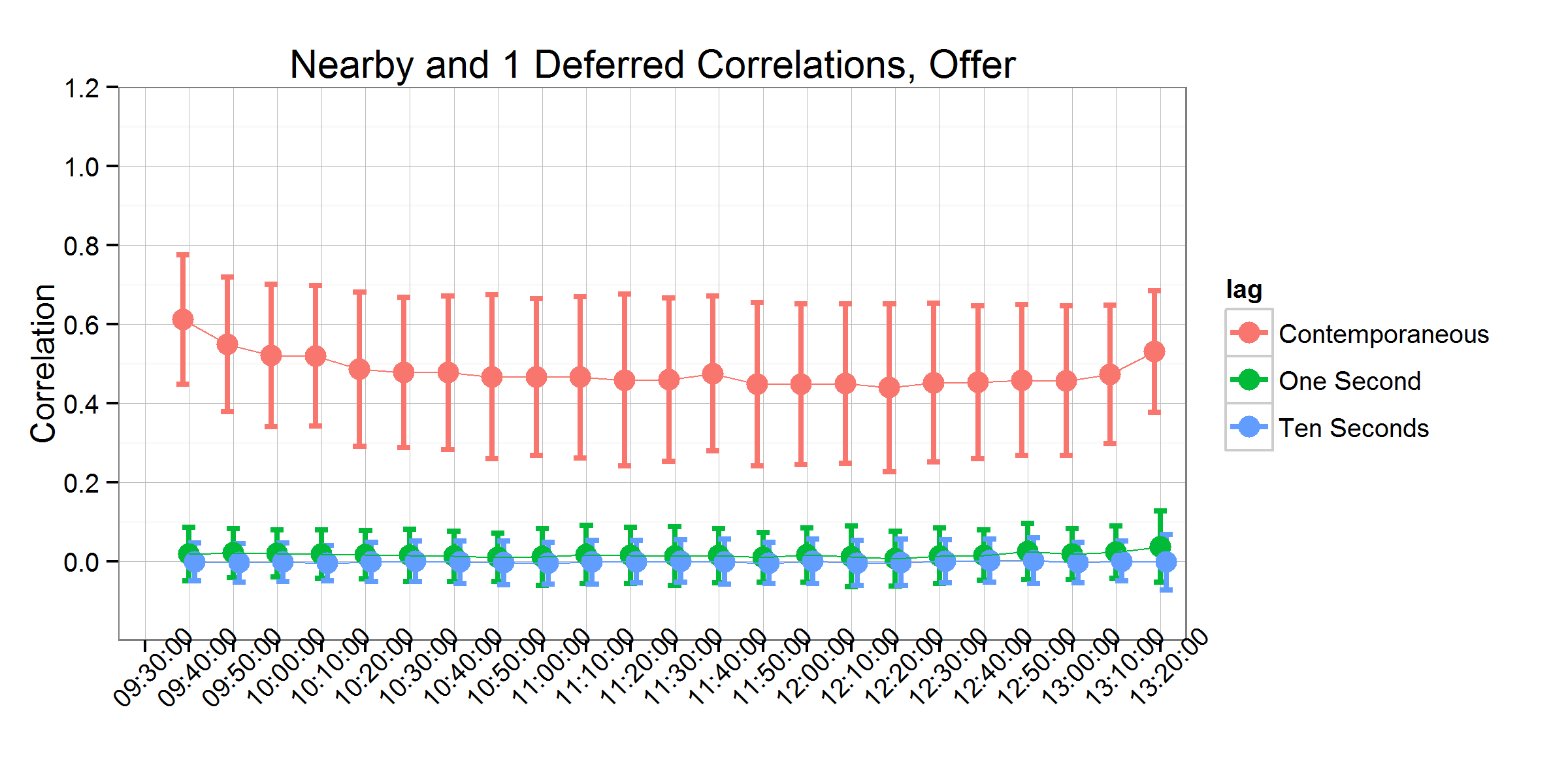


Figure 5. Contemporaneous and Time-lagged Correlations between the Nearby and One-deferred Contract

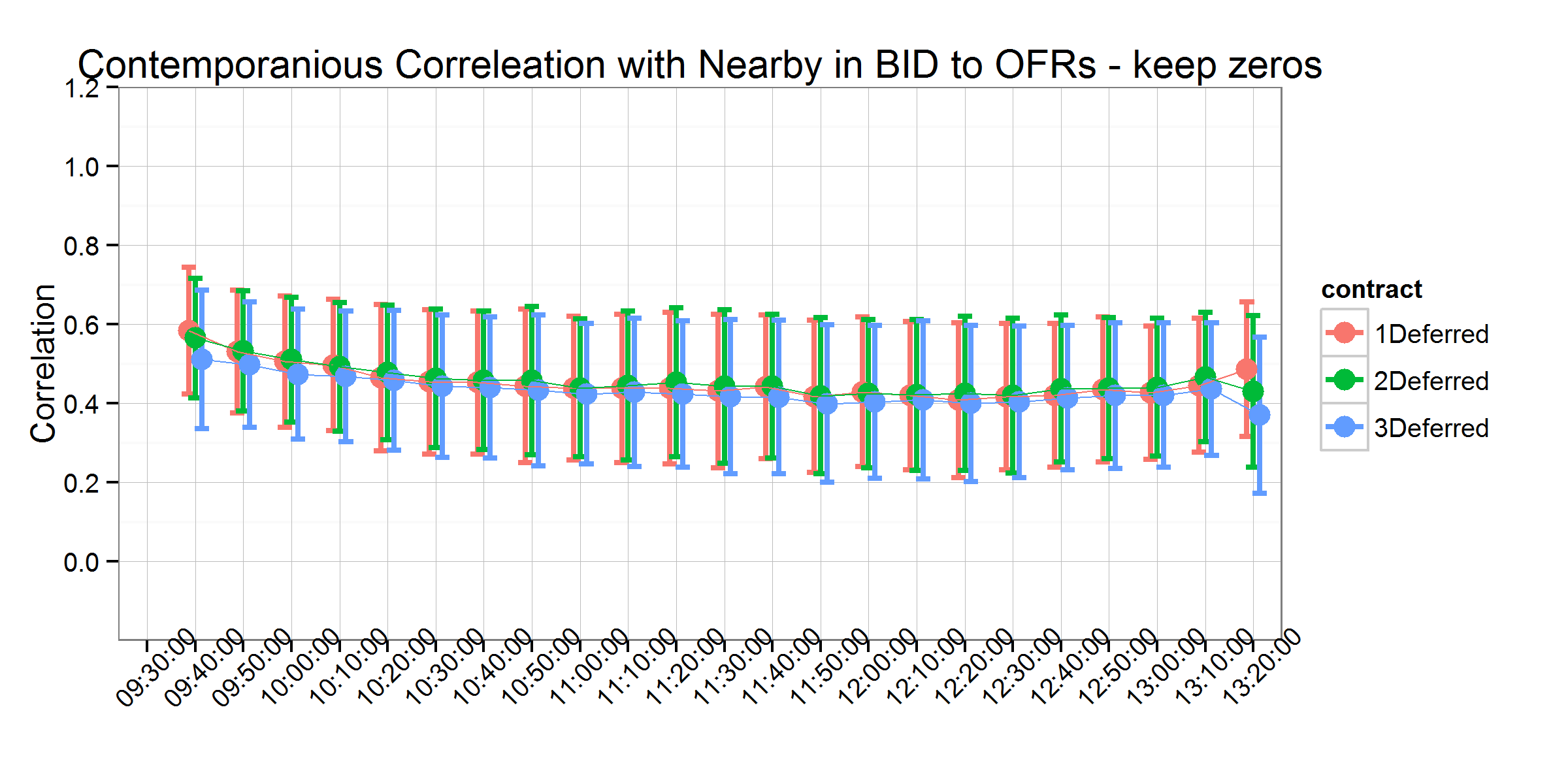
## Contemporaneous and Time-lagged Correlations on USDA Report Days





Figure 6. Contemporaneous and Time-lagged Correlations between the Nearby and One-deferred Contract on USDA Report Days

## Spread Traders?



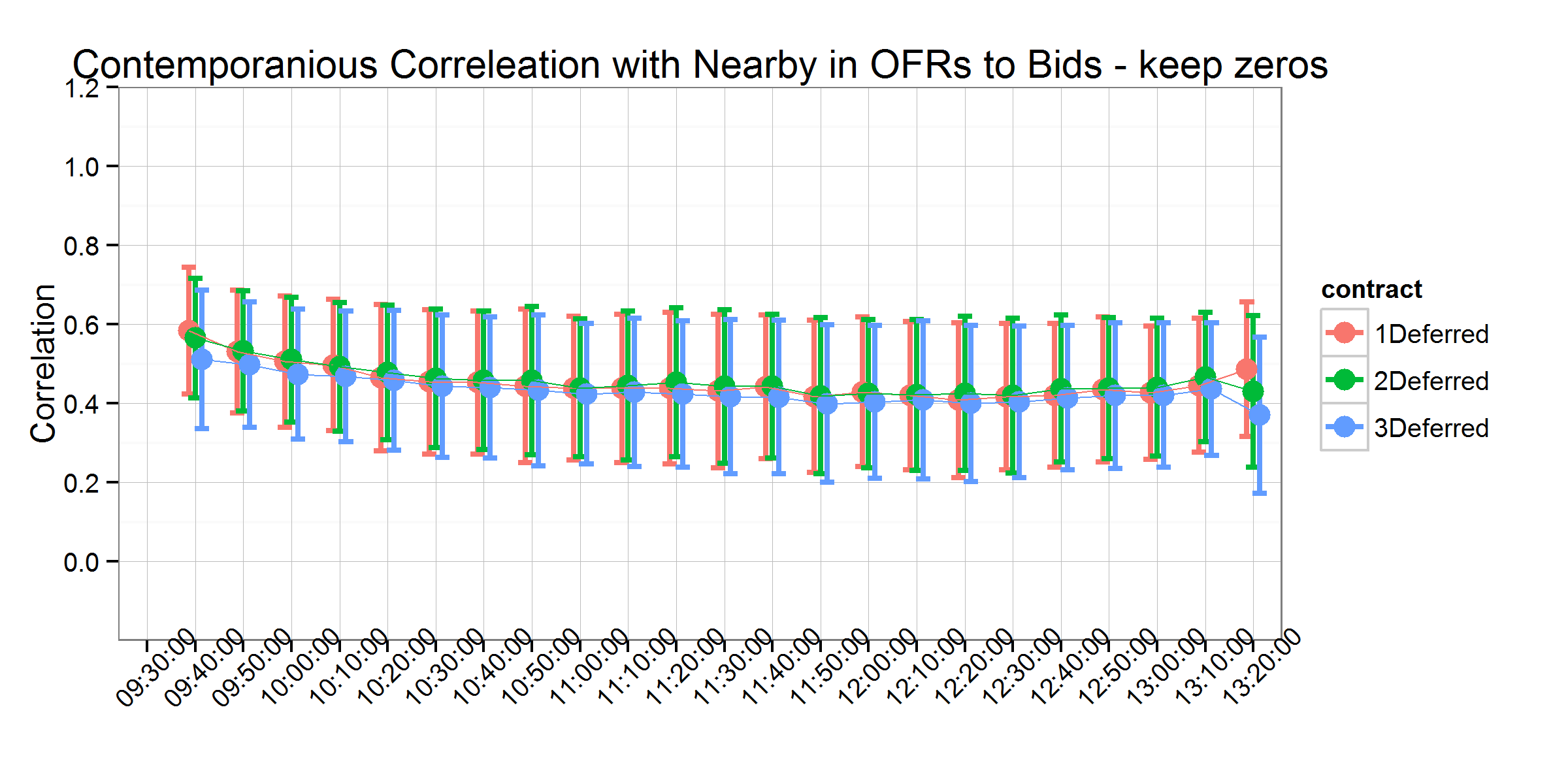


Figure 7. Contemporaneous Correlations with Nearby Bid-to-Ask and Ask-to-Bid - Keep Zeros

# Conclusions

# References

Easley, D., M. Lopez de Prado, and O’HaraM. 2011. “The microstructure of the ‘flash crash’: Flow toxicity, liquidity crashes and the probability of informed trading.” *The Journal of Portfolio Management* 37(2):118–128.

Hasbrouck, J. 2006. *Empirical market microstructure: The institutions, economics, and econometrics of securities trading*. Oxford University Press.