

Contents

Part I Statistical Methods

Recent Advances in ARCH Modelling

Liudas Giraitis, Remigijus Leipus, Donatas Surgailis 3

Intermittency, Long–Memory and Financial Returns

Raj Bhansali, Mark P. Holland, Piotr S. Kokoszka 39

The Spectrum of Euro–Dollar

Vincent Brousseau 69

Hölderian Invariance Principles and Some Applications for Testing Epidemic Changes

Alfredas Račkauskas, Charles Suquet..... 109

Adaptive Detection of Multiple Change–Points in Asset Price Volatility

Marc Lavielle, Gilles Teysnière..... 129

Bandwidth Choice, Optimal Rates and Adaptivity in Semiparametric Estimation of Long Memory

Marc Henry 157

Wavelet Analysis of Nonlinear Long–Range Dependent Processes. Applications to Financial Time Series

Gilles Teysnière, Patrice Abry 173

Prediction, Orthogonal Polynomials and Toeplitz Matrices. A Fast and Reliable Approximation to the Durbin–Levinson Algorithm

Djalil Kateb, Abdellatif Seghier, Gilles Teysnière 239

Part II Economic Models

A Nonlinear Structural Model for Volatility Clustering
Andrea Gaunersdorfer, Cars Hommes 265

**Volatility Clustering in Financial Markets: Empirical Facts
and Agent-Based Models**
Rama Cont. 289

**The Microeconomic Foundations of Instability in Financial
Markets**
Alan Kirman 311

**A Minimal Noise Trader Model with Realistic Time Series
Properties**
Simone Alfarano, Thomas Lux 345

Long Memory and Hysteresis
Christian de Peretti 363