Abstract

This paper proposes a new test for simultaneous intraday jumps (co-jumps) in a panel of high frequency financial data. We utilize intraday first-high-low-last values of asset prices to construct estimates for the cross-variation of returns in a large panel of high frequency financial data, and then employ these estimates to provide a test statistic that can detect co-jumps. Simulations show that a bias corrected version of the test can be used in the presence of microstructure noise. When applied to a panel of high frequency data from the Chinese mainland stock market, our test identifies co-jumps that can be associated with announcements relating to monetary policy and stock market regulations.