Descriptions of MATLAB Code used in Li and Linton (2021)

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1 Descriptions of the Main Programs

1. `empirics_KO.m`: Estimate autocovariances of noise for Coca-Cola (KO) in January 2018. It produces Figure 5 in Li and Linton (2021).

2. `Simu_ReMeDI_Irre_autocorr.m`: Estimate the autocorrelation function of microstructure noise using both the ReMeDI and LA approaches under the simulation setting in Section 5.3 in Li and Linton (2021). It produces Figure 4 of Li and Linton (2021).

3. `Simu_ReMeDI_LA_BCLA.m`: Estimate the autocovariances of microstructure noise using both the ReMeDI and LA approaches under the simulation setting in Section 5.2 in Li and Linton (2021). It produces Figure 2 of Li and Linton (2021).

4. `Simu_ReMeDI_LA_sample_size_NSR.m`: Compare the mean squared error of ReMeDI and LA estimators of autocovariances of noise with different noise-to-signal ratio and sample sizes. It produces Figure 3 in Li and Linton (2021).

2 Descriptions of the Functions Used in the Main Programs

1. `AVarReMeDI2.m`: Estimate the asymptotic variance of the ReMeDI estimators of variance and autocovariances of microstructure noise.

2. `DGP_irregular.m`: simulate noisy prices in the simulation settings of Li and Linton (2021); for details of specifications, see Section 5.1 and Section 5.3 in Li and Linton (2021).

3. `DGP_regular.m`: simulate noisy prices with regular observation scheme; see Section 5.2 in Li and Linton (2021).

4. `LA2.m`: *Local Averaging* estimators of the second moments of noise, see Jacod et al. (2017).

5. `ReMeDI2.m`: *ReMeDI* estimators of the second moments of noise, see Li and Linton (2021).

References

JACOD, J., Y. LI, AND X. ZHENG (2017): "Statistical properties of microstructure noise," *Econometrica*, 85, 1133–1174.

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