The Variance Gamma Process

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Abstract

The symmetric VG model for independent log increments (returns). Allowing for skewness of distribution, strict stationarity and long-range dependence of returns, resulting from market activity time. Volatility. The (skewed) VG and t-distributions for returns, as special cases arising from the GIG distribution for increments of market activity time. Estimation and goodness of fit in these cases. A comparison of the (symmetric) VG and scaled t-distributions.