



The University of Hong Kong

**REVISED**

Department of Statistics and Actuarial Science

## Seminar

# Significance of Statistical Analysis in Algorithmic Trading

**Revised Date:** 21 June 2007 (Thursday)

Time : 5:30 pm – 6:30 pm

Venue : T5, 1/F, Meng Wah Complex,  
The University of Hong Kong

## Speakers

Miss Kathryn Zhao

Dr. Frank Coplestone

Vice President, Quantitative Products One  
Global Markets Equity, Deutsche Bank AG

Managing Director  
Head – Asia, Quantitative Products  
Global Markets Equity, Deutsche Bank AG

## Abstract

Algorithmic trading is rapidly growing in popularity. The Volume Weighted Average Price (VWAP) strategy is probably the most heavily used algorithm in electronic trading of equities. Traders' performance is usually measured by how far away their executions are from the VWAP. We show that by modeling volume curves based on historical market data, predicting daily volume instead of using the average daily volume (ADV), and separating illiquid stocks from their liquid counterparts, substantial improvements are possible for the existing VWAP strategies to achieve their benchmark. Finally, we mention the career prospect in this field.

## About the speakers

Kathryn Zhao joined Deutsche Bank in 2004 as a program trader and is currently a quantitative analyst specializing in algorithmic trading. She holds an MBA from Cornell University, a MSc in Statistics from Purdue University and a MSc in Mathematics from Beijing University. Kathryn previously worked for a US hedge fund where she was involved in both quantitative analysis and equity research.

Frank Coplestone is Head of Quantitative Products for Asia. He holds a D.Phil from the University of Oxford and started his career in 1993 as an Equity Derivatives trader and later a Fixed Income Derivatives trader at Credit Suisse Financial Products. In 1996 he joined General Re. Financial Products as an Equity Derivatives multi-asset exotics trader. Before joining Deutsche Bank he was Head of Equity Derivatives Exotics trading, Hybrid Derivatives trading and Fund Derivatives trading at Commerzbank AG, London. Frank was Head of Quantitative Products Engineering, Europe prior to relocating to Asia.

Visitors Please Note that the University has limited parking space. If you are driving please call the Department at 2859 2466 for parking arrangement.

***All interested are welcome***