

# On the Correlation of Realized Volatility

- A Study of the German Market<sup>1</sup>

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## Abstract

In this first draft we examine the correlation between 12 different asset volatilities on the German market. It is suggested that this kind of information is useful for example when considering risk management (Value-at-Risk) applications. The observations are high-frequent (tick-data) and the methodology employed follows the in the footsteps of earlier work in finance literature based on a realized volatility measure. This method should be superior to any other estimation technique.

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<sup>1</sup> Please note that this is merely a first draft and by no means a complete article. Constructive comments and feedback is thus gratefully accepted.