

## Letter from Editors

The fourth issue of volume 5 consists of three papers dealing with very different methodological and empirical issues, ranging from new statistical models for macroeconomic and financial data, through examining intra-daily stock returns to analytical foundations of a certain Bayesian technique.

The first paper, by Karim Abadir, is devoted to designing new statistical tools that would be useful to answer some important questions in finance and economics, namely: (1) how to characterize the randomness of variables, motivated by a problem in the pricing of financial options, (2) how to model the relation between interest rates on different maturities, (3) how to describe the unconventional long-memory dynamics and their implications for macroeconomic variables.

In the second paper Barbara Będowska-Sójka compares reactions of the German and French stock markets to macroeconomic announcements from Germany and the U.S. Examining the reaction of intraday returns and volatility of the CAC40 and the DAX indices she finds that both American and German macroeconomic releases cause immediate responses, but the reaction to the American news is stronger than to the German ones.

In the third paper, Anna Pajor and Jacek Osiewalski focus on the adjusted harmonic mean estimator (HME) of the data density value, proposed by Peter Lenk in the context of computing Bayes factors with the use of MCMC methods. The authors prove that the adjusted HME is derived from a general exact analytical identity, which also holds for improper prior densities. The applicability of Lenk's estimator is thus substantially extended.