

3rd Humboldt-Copenhagen Conference Berlin, March 14-16, 2013

Program

Version: 07.03.2013

Thursday, March 14

13:30-14:00 **Registration**

14:00-14:05 **Welcome Address** (Heilig-Geist-Kapelle)

14:05-14:50 **Keynote Talk** (Heilig-Geist-Kapelle)

Chair: Nikolaus Hautsch, Humboldt-Universität zu Berlin

Yacine Aït-Sahalia (*Princeton University*)

The latency advantage of high frequency traders

15:00-16:15 **Parallel Sessions**

Volatility Estimation (Room 202)

Chair: Stanislav Khrapov, New Economic School Moscow

Spectral estimation of covolatility from noisy observations using local weights

Markus Bibinger (*Humboldt-Universität zu Berlin*)

Markus Reiß (*Humboldt-Universität zu Berlin*)

Efficient Estimation of Integrated Volatility and Related Processes

Eric Renault (*Brown University*)

Cisil Sarisoy (*Tilburg University*)

Bas J.M. Werker (*Tilburg University*)

Pricing Central Tendency in Volatility

Stanislav Khrapov (*New Economic School Moscow*)

Assets & Trading (Room 220)

Chair: Richard Payne, Cass Business School

Exchange-Traded Funds, Fails-To-Deliver and Volatility

Thomas Stratmann (*George Mason University*)

John W. Welborn (*George Mason University*)

Survival of Hedge Funds: Frailty vs Contagion

Serge Darolles (*Paris Dauphine University and CREST*)

Patrick Gagliardini (*University of Lugano*)

Christian Gouriéroux (*CREST and University of Toronto*)

Computer-based trading in the cross-section

Torben Latza (*Cass Business School*)

Ian Marsh (*Cass Business School*)

Richard Payne (*Cass Business School*)

16:15-16:45 Coffee

16:45-18:25

Parallel Sessions

Default Risk & Contagion

(Room 202)

Chair: Mark Mink, Dutch National Bank

A Financing Conditions Index for the Euro Area and the Larger Economies

Laurent Maurin (Capital Markets and Financial Structure Division, European Central Bank)

Diego Moccero (*Capital Markets and Financial Structure Division, European Central Bank*)

Matthieu Darracq Paries (European Central Bank)

The Euro Area Sovereign Debt Crisis: Can Contagion Spread from the Periphery to the Core?

Denis Gorea (*Goethe University, Frankfurt*)

Deyan Radev (Goethe University, Frankfurt)

Conditional probabilities for euro area sovereign default risk

André Lucas (VU University Amsterdam)

Bernd Schwaab (*European Central Bank*)

Xin Zhang (VU University Amsterdam)

Do Financial Markets Expect Bank Defaults to Be Contagious?

Mark Mink (*Dutch National Bank; University of Groningen*)

Session II: Statistical Inference & Modeling

(Room 220)

Chair: Andrew Harvey, University of Cambridge

A Joint Portmanteau Test for Conditional Mean and Variance Time Series Models

Carlos Velasco (*Universidad Carlos III de Madrid*)

Xuexin Wang (Xiamen University)

Discriminating between fractional integration and spurious long memory

Niels Haldrup (*CREATES*)

Robinson Kruse (Leibniz Universität Hannover)

Quantile Regression for Long Memory Testing: A Case of Realized Volatility

Uwe Hassler (*Goethe Universität, Frankfurt*)

Paulo Rodrigues (Banco de Portugal)

Antonio Rubia

The Dynamic Location/Scale Model

Philipp Andres (University of Cambridge)

Andrew Harvey (*University of Cambridge*)

Friday, March 15

9:00-9:45

Keynote Talk

(Heilig-Geist-Kapelle)

Chair: Anders Rahbek, University of Copenhagen

Robin Lumsdaine (*American University Washington*)

Wall Street vs. Main Street: A Comparison on Beliefs

9:45-10:15

Coffee

10:15-11:55

Parallel Sessions

Systemic Risk

(Room 202)

Chair: Melanie Schienle, Leibniz Universität Hannover

Which Are the SIFIs? A Component Expected Shortfall (CES) Approach to Systemic Risk

Georgiana-Denisa Banulescu (*University of Orléans*)

Elena-Ivona Dumitrescu (*European University Institute*)

TailCor

Lorenzo Ricci (*Université libre de Bruxelles*)

David Veredas (*Université libre de Bruxelles*)

Nets: Network Estimation for Time Series

Matteo Barigozzi (*London School of Economics*)

Christian Brownlees (*Universitat Pompeu Fabra; Barcelona GSE*)

Forecasting systemic impact in financial networks

Nikolaus Hautsch (*Humboldt-Universität zu Berlin*)

Julia Schaumburg (*Leibniz Universität Hannover*)

Melanie Schienle (*Leibniz Universität Hannover*)

Volatility II

(Room 220)

Chair: Martin Spindler, Max Planck Institute, Munich

Intra-Daily Volatility Spillovers between the US and German Stock Markets

Vasyl Golosnoy (*Christian-Albrechts-Universität zu Kiel*)

Bastian Gribisch (*Christian-Albrechts-Universität zu Kiel*)

Roman Liesenfeld (*Christian-Albrechts-Universität zu Kiel*)

Anticipating Long-Term Stock Market Volatility

Christian Conrad (*Heidelberg University*)

Karin Loch (*Heidelberg University*)

Modelling Changes in the Unconditional Variance of Long Stock Return Series

Cristina Amado (*University of Minho*)

Timo Teräsvirta (*Aarhus*)

Boosting the Anatomy of Volatility

Stefan Mittnik (*Maximilians-Universität München*)

Nikolay Robinzonov (*Maximilians-Universität München*)

Martin Spindler (*Max Planck Institute for Social Law and Social Policy, Munich*)

11:55-13:20

Lunch

13:20-15:00 **Parallel Sessions**

Vast-Dimensional Covariances

(Room 202)

Chair: Peter Reinhard Hansen, European University Institute

A Model for Vast Panels of Volatilities

Matteo Luciani (*Université Libre de Bruxelles*)

David Veredas (*Université Libre de Bruxelles*)

Nonlinear Shrinkage Estimation of Large-Dimensional Covariance Matrices

Michael Wolf (*University of Zurich*)

Olivier Ledoit (*University of Zurich*)

The Merit of High-Frequency Data in Portfolio Allocation

Nikolaus Hautsch (*Humboldt-Universität zu Berlin*)

Lada M. Kyj (*Barclays Capital Inc., New York*)

Peter Malec (*Humboldt-Universität zu Berlin*)

Realized Factor GARCH

Peter Cristoffersen (*University of Toronto*)

Peter Reinhard Hansen (*European University Institute*)

Asger Lunde (*Aarhus University*)

Option-Based Pricing and Volatility Estimation

(Room 220)

Chair: Leonidas Tsiaras, Aston University

Uncovering Novel Features of Equity-Index Return Dynamics via Corridor Implied Volatility

Torben G. Andersen (*Northwestern University*)

Oleg Bondarenko (*University of Illinois at Chicago*)

Maria T. Gonzalez-Perez (*Colegio Universitario de Estudios Financieros, Madrid*)

Empirical pricing kernel estimation using a functional gradient descent algorithm based on splines

Francesco Audrino (*University of St. Gallen*)

Pirmin Meier (*University of St. Gallen*)

Indirect estimation of physical densities

Ioana A. Duca (*Humboldt-Universität zu Berlin, Bucharest Academy of Economic Studies*)

Maria Grith (*Humboldt-Universität zu Berlin*)

Wolfgang K. Härdle (*Humboldt-Universität zu Berlin*)

Dynamic Models of Exchange Rate Dependence Using Option Prices and Historical Returns

Leonidas Tsiaras (*Aston University*)

15:00-16:15 **Coffee + Poster Session**

Economic Forces Unleashed: Dissecting the Relation between GDP and the Cross-Section of Stock Returns

Tim A. Kroencke (*Centre for European Economic Research, Mannheim*)

Felix Schindler (*Centre for European Economic Research, Mannheim*)

Steffen Sebastian (*University of Regensburg*;))

Erik Theissen (*University of Mannheim*)

Ambiguity in the Cross-Section of Expected Returns: An Empirical Assessment

Julian Thimme (*Westfälische Wilhelms-Universität Münster*)

Clemens Völkert (*Westfälische Wilhelms-Universität Münster*)

Matrix Box-Cox Models for Multivariate Realized Volatility

Roland Weigand (*University of Regensburg*)

Diagnosing the Type of GARCH Innovations

Pengfei Sun (*Erasmus University Rotterdam*)

Chen Zhou (De Nederlandsche Bank)

Parameter Estimation and Inference with Spatial Lags and Cointegration

Jan Mutl (EBS Business School, Wiesbaden)

Leopold Sögner (*Institute for Advanced Studies, Vienna*)

Bayesian analysis of nonlinear, non-Gaussian state space models: the joint independent Metropolis-Hastings method

István Barra (*VU University Amsterdam*)

Lennart Hoogerheide (VU University Amsterdam)

Siem Jan Koopman (VU University Amsterdam)

André Lucas (VU University Amsterdam)

Modeling dynamic diurnal patterns in high frequency financial data

Ryoko Ito (*University of Cambridge*)

Copula-Based Dynamic Conditional Correlation Multiplicative Error Processes

Taras Bodnar (*Humboldt-Universität zu Berlin*)

Nikolaus Hautsch (Humboldt-Universität zu Berlin)

The Signal of Volatility

Till Strohsal (*Free University Berlin*)

Enzo Weber (University of Regensburg)

Econometrics of co-jumps in high-frequency data with noise

Markus Bibinger (Humboldt-Universität zu Berlin)

Lars Winkelmann (*Freie Universität Berlin*)

Estimating and Forecasting APARCH-Skew-t model by Wavelet Support Vector Machines

Yushu Li (*Lund University, Sweden*)

Closed form solutions for linear time-varying coefficients models with applications to economics and finance

Menelaos Karanasos (*Brunel University*)

16:15-17:30 **Parallel Sessions**

Portfolio and Covariance Estimation

(Room 202)

Chair: Luc Bauwens, Université Catholique de Louvain

COMFORT-CCClass: A Common Market Factor Returns Model for Density Prediction and Portfolio Allocation

Marc S. Paolella (University of Zurich)

Paweł Polak (*University of Zurich*)

Multivariate Variance Targeting in the BEKK-GARCH Model

Rasmus S. Pedersen (*University of Copenhagen*)

Anders Rahbek (University of Copenhagen)

Modeling the Dependence of Conditional Correlations on Volatility

Luc Bauwens (*Université Catholique de Louvain*)

Edoardo Otranto (University of Messina, Italy)

Asset Pricing

(Room 220)

Chair: Ekaterini Panopoulou, University of Piraeus

Estimating Dynamic Equilibrium Models using Macro and Financial Data

Bent Jesper Christensen (Aarhus University)

Olaf Posch (Aarhus University)

Michel van der Wel (*Erasmus University Rotterdam*)

Leisure, Consumption and Long Run Risk: An Empirical Evaluation

Xiang Zhang (*Universitat Autònoma de Barcelona*)

Quantile Regression Approach to Equity Premium Prediction

Loukia Meligkotsidou (University of Athens)

Ekaterini Panopoulou (*University of Piraeus*)

Ioannis D.Vrontos (Athens University of Economics and Business)

Spyridon D. Vrontos (University of Piraeus)

19:00

Conference Dinner

Saturday, March 16

9:30-10:45

Parallel Sessions

Financial Time Series

(Room 202)

Chair: Mika Meitz, Koç University

The Value of Multivariate Model Sophistication: An Application to pricing Dow Jones Industrial Average options

Jeroen V.K. Rombouts (*ESSEC Business School*)

Lars Stentoft (HEC Montréal, CIRANO)

Francesco Violante (Maastricht University)

Segmenting low- and high-dimensional time series via binary segmentation and its modern variants

Haeran Cho (Department of Statistics, London School of Economics)

Piotr Fryzlewicz (*Department of Statistics, London School of Economics*)

Gaussian mixture autoregressive model for univariate time series

Leena Kalliovirta (University of Helsinki)

Mika Meitz (*Koç University*)

Pentti Saikkonen (University of Helsinki)

Default and Downside Risk

(Room 220)

Chair: Gildas Lamé, INSEE and CREST

How covariates influence default: Direct and indirect effects

Kay Giesecke (Stanford University)

David Lando (Copenhagen Business School)

Mamdouh Medhat (*Copenhagen Business School*)

Extreme Downside Liquidity Risk

Stefan Ruenzi (University of Mannheim)

Michael Ungeheuer (*University of Mannheim*)

Florian Weigert (University of Mannheim)

Was there a "Greenspan conundrum" in the Euro area?
Gildas Lamé (INSEE and CREST)

10:45-11:15 Coffee

11:15-12:30 Parallel Sessions

GARCH

(Room 202)

Chair: Christian M. Hafner, Université Catholique de Louvain

Asymptotic Normality of the QMLEs in the EGARCH(1,1) Model

Antonis Demos (University of Piraeus)

Dimitra Kyriakopoulou (University of Piraeus)

EGARCH models with fat tails, skewness and leverage

Andrew Harvey (Cambridge University)

Genaro Sucarrat (BI Norwegian Business School, Oslo)

An Almost Closed Form Estimator for the EGARCH model

Christian M. Hafner (Université Catholique de Louvain)

Oliver Linton (University of Cambridge)

Jump Diffusions

(Room 220)

Chair: Norman Seeger, VU University Amsterdam

Simple Approximate Maximum-Likelihood Estimation of Multivariate Jump-Diffusion Models

Dennis Kristensen (UCL, IFS, CREATES)

Antonio Mele (University of Lugano; Swiss Finance Institute)

Minkee Song (Columbia University)

Which continuous-time model is realistic for exchange rates?

Deniz Erdemlioglu (University of Namur)

Sébastien Laurent (Maastricht University)

Christopher J. Neely (Federal Reserve Bank of St. Louis)

Out-of-Sample Performance of Jump-Diffusion Models for Equity Indices: What the Financial Crisis was Good for

Roman Frey (University of St. Gallen)

Paulo Rodrigues (Maastricht University)

Norman Seeger (VU University Amsterdam)

12:30-13:15 Keynote Talk

(Heilig-Geist-Kapelle)

Chair: Asger Lunde, CREATES

Andrew Patton (Duke University)

Time-Varying Systemic Risk: Evidence from a Dynamic Copula Model of CDS Spreads