
11th Annual SoFiE Conference 2018

Programme

Monday June 11th: Pre-Conference

8:00-9:00	Registration
9:00	Opening remarks
9:15-10:45	Pre-conference Lecture Fabio Trojani (University of Geneva and SFI): TBD
10:45-11:15	Coffee Break
11:15-12:45	Session 1 Chairman: Nour Meddahi (Toulouse School of Economics) <ul style="list-style-type: none">• <u>Hendrik Hülsbusch</u> (University of Muenster), with Nicole Branger and Alexander Kraftschik <i>The Volatility-of-Volatility Term Structure</i>• <u>Cisil Sarisoy</u> (Kellogg School of Management, Northwestern University) <i>Variance Dynamics in Term Structure Models</i>• <u>Merrick Li</u> (University of Amsterdam) <i>A Simple Measure of Microstructure Noise</i>
12:45-14:00	Lunch break
14:00-15:30	Session 2 <ul style="list-style-type: none">• Dashan Huang, Fuwei Jiang and Guoshi Tong <i>Forecasting Bond Returns with Real Time Macroeconomic Data: A Predictive Principal Component Approach</i>• <u>Mingyang Li</u> (Xiamen University), with Simon Trimborn and Wolfgang Härdle <i>Investing with Cryptocurrencies - A Liquidity Constrained Investment Approach</i>• <u>Yifan Li</u> (Lancaster University), with Ingmar Nolte and Sandra Nolte <i>Asymptotic Theory for Renewal Based High-Frequency Volatility Estimation</i>
15:30-16:00	Coffee break
16:00-17:30	Session 3 Chairman: Eric Ghysels (University of North Carolina at Chapel Hill) <ul style="list-style-type: none">• <u>Christian Nguenang Kapnang</u> (Toulouse School of Economics) <i>Price Discovery Measures and High-Frequency Data</i>• <u>Christoph Basten</u> (University of Zurich), with Mike Mariathanan <i>How Banks Respond to Negative Interest Rates: Evidence from the Swiss Exemption Threshold</i>• <u>Dimitra Kyriakopoulou</u> (Université catholique de Louvain), with Christian Hafner <i>Exponential-type GARCH models with linear-in-variance risk premium</i>

Tuesday June 12th: Conference Day 1

8:00-9:15	Registration
9:15-9:30	Welcome speeches: Prof. Boas Erez (Rector of the Università della Svizzera italiana), Prof. Christian Gouriéroux (University of Toronto and Toulouse School of Economics, Chairman of the Scientific Committee)
9:30-10:30	Invited Session I Chairman: Timo Teräsvirta (Aarhus University) Jean-Michel Zakoian (CREST, Paris): <i>Noncausal Heavy-Tailed Autoregressive Process and the Modeling of Bubbles</i>
10:30-11:00	Coffee break
11:00-12:30	Parallel session I
	Measuring and Hedging Return Variation Room A
	Chairman: Chardin Wese Simen (ICMA Center, Henley Business School)
	<ul style="list-style-type: none"> • <u>Jihyun Kim</u> (Toulouse School of Economics), with Nour Meddahi <i>Volatility Regressions with Fat Tails</i> • <u>Piotr Orłowski</u> (HEC Montreal), with Paul Schneider and Fabio Trojani <i>Big Risk</i> • <u>Chardin Wese Simen</u> (ICMA Center, Henley Business School), with Fabian Hollstein <i>Variance Risk: A Bird's Eye View</i>
	Macro/Finance Room B
	Chairman: Angelo Ranaldo (University of St. Gallen)
	<ul style="list-style-type: none"> • <u>Nancy Xu</u> (Columbia University), with Geert Bekaert and Eric Engstrom <i>The Time Variation in Risk Appetite and Uncertainty</i> • <u>Eirini Konstantinidi</u> (University of Manchester), with Renato Facinni, George Skiadopoulos and Sylvia Sarantopoulou-Chiourea <i>A New Predictor of U.S. Real Economic Activity: The S&P 500 Option Implied Risk Aversion</i> • <u>Angelo Ranaldo</u> (University of St. Gallen), with Paolo Santucci de Magistris <i>A Unified Model for Foreign Exchange, Trading Volume, and Volatility</i>
	Asset Pricing Room C
	Chairman: Yanan Su (University of Chicago)
	<ul style="list-style-type: none"> • <u>Cesare Robotti</u> (University of Georgia) <i>Model Comparison with Sharpe Ratios</i> • <u>Rohit Allena</u> (Emory University) <i>Comparing Asset Pricing Models with Traded and Non-Traded Factors</i> • <u>Yanan Su</u> (University of Chicago), with Seth Pruitt and Bryan Kelly <i>Instrumented Principal Component Analysis</i>
12:30-14:00	Lunch break and Poster session I
	<ul style="list-style-type: none"> • <u>Fabian Schupp</u> (Deutsche Bundesbank), with Felix Geiger <i>Deriving Short Rate Expectations from the Euro Area Yield Curve at the Effective Lower Bound</i> • <u>Peter Hoerdahl</u> and Oreste Tristani <i>Modelling Yields at the Lower Bound Through Regime Shifts</i> • <u>Anastasija Tetereva</u> (University of St. Gallen) <i>Application of Multivariate Hawkes Graphs to Uncover Granger Causality of Financial News</i>

- Andras Fulop (ESSEC Business School), with Junye Li and Runqing Wan
Real-Time Learning and Bond Return Predictability
- Bernd Schwaab (European Central Bank), with Diego Caballero, André Lucas and Xin Zhang
Risk Endogeneity at the Lender/Investor-of-Last-Resort
- Huichou Huang (City University of Hong Kong and Broad Reach Investment Management LPP), with Lukas Menkhoff
Global Positioning Risk and FX Trading Strategies
- Jiejie Zhang (National University of Singapore), with Ying Chen and J.S. Marron
Modeling Seasonality and Serial Dependence of Electricity Price Curves with Warping Functional Autoregressive Dynamics
- Marcial Messmer (University of St. Gallen)
Deep Learning and the Cross-Section of Expected Returns

14:00-16:00

Parallel session II

Conditional Betas

Room A

Chairman: Timo Teräsvirta (Aarhus University)

- Ilya Archakov (University of Vienna), with Peter Hansen and Asger Lunde
A Multi-Factor Realized GARCH Model with An Application to the Fama-French Model
- Niels Strange Grønberg (Aarhus University), with Russell Davidson
Time-Varying Parameters: New Test Tailored to Applications in Finance and Macroeconomics
- Pawel Polak (Columbia University), with Marc Paoletta and Patrick Walker
A New Non-Gaussian Orthogonal GARCH Model for Portfolio Selection under Transaction Costs
- Timo Teräsvirta (Aarhus University), with Annastiina Silvennoinen
Consistency and Asymptotic Normality of Maximum Likelihood Estimators of a Multiplicative Time-Varying Smooth Transition Correlation GARCH Model

Hedge Funds' Performances and Momentum Strategies

Room B

Chairman: Paul Karehnke (University of New South Wales)

- John Crosby (University of Technology, Sydney Business School), with Xiaohui Gao and Gurdip Bakshi
Crossing a Rubicon into Active Money Management Realities: Performance Measurement When Funds Follow Opaque Strategies
- Caio Almeida (Graduate School of Economics, FGV), with Kym Ardison and René Garcia
Nonparametric Assessment of Hedge Fund Performance
- Jonas Nygaard Eriksen (Aarhus University)
Cross-Sectional Return Dispersion and Currency Momentum
- Paul Karehnke (University of New South Wales), with Frans De Roon
Spanning Tests for Assets with Option-Like Payoffs: The Case of Hedge Funds

Tail Risk

Room C

Chairwoman: Roxana Halbleib (University of Konstanz)

- Markus Huggenberger (University of Mannheim), with Chu Zhang and Ti Zhou
Forward-Looking Tail Risk Measures
- Daniele Bianchi (Warwick Business School)
Carry Trades and Tail Risk: Evidence from Commodity Markets

- Elena Dumitrescu (University of Paris Nanterre), with Christophe Boucher, Gilles De Truchis and Sessi Tokpavi
Testing for Extreme Volatility Transmission with Realized Volatility Measures
- Roxana Halbleib (University of Konstanz), with Timo Dimitriadis
How informative is high-frequency data for tail risk estimation and forecasting? An intrinsic time perspective

16:00-16:30	Coffee break
16:30-17:30	Invited session II Chairman: Eric Renault (Brown University) Ronnie Sadka (Boston College): <i>Real-Time Sales and Earnings Announcements</i>
19:00-22:00	Gala dinner Speech by Pierre Collin Dufresne (EPFL and SFI)

Wednesday June 13 th: Conference Day 2

8:45-10:00	Invited session III: Halbert White Jr. Memorial JFEC invited lecture Chairmen: Federico Bandi (Johns Hopkins University) and Andrew Patton (Duke University) Joel Hasbrouck (NYU Stern School of Business): <i>Price Discovery in High Resolution</i> Discussants: Fulvio Corsi (University of Pisa and City University of London), Frank de Jong (Tilburg School of Economics and Management)
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10:00-10:30	Coffee break
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10:30-12:30	Parallel session III
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HF Data: Jump Transmission and Latent Structure	Room A
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- Chairman: Serge Womo (Toulouse School of Economics)
- George Tauchen (Duke University), with Jia Li and Viktor Todorov
Jump Factor Models in Large Cross-Sections
 - Marcelo Fernandes (Sao Paulo School of Economics, FGV), with Valentina Corradi and Walter Distaso
Testing Jump Spillovers without Testing for Jumps
 - Lan Zhan (University of Illinois at Chicago), with Per Mykland and Dachuan Chen
Capturing Time-Varying Latent Structures in Multivariate Analysis: Principal Component Analysis with Asynchronous and Noisy High Frequency Data
 - Serge Womo (Toulouse School of Economics)
A Factor Model for Systemic Risk Using Mutually Exciting Jump Processes

Stochastic Discount Factor and Pricing	Room B
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- Chairman: Francisco Penaranda (City University of New York)
- Paula Mirela Sandulescu (Università della Svizzera italiana and SFI), with Fabio Trojani and Andrea Vedolin
Model-Free International Stochastic Discount Factors

- Hasan Fallahgoul (Monash University), with Julien Hugonnier and Lorian Mancini
Time Changes, Levy Jumps and Asset Returns
- Frank de Jong (Tilburg School of Economics and Management), with Jac Kragt and Joost Driessen
The Dividend Term Structure
- Francisco Penaranda (City University of New York), with Juan Rodriguez-Poo and Stefan Sperlich
Nonparametric Specification Testing of Conditional Asset Pricing Models

Financial Theory

Room C

Chairman: Stelios Arvanitis (Athens University of Economics and Business)

- John Crosby (University of Technology, Sydney Business School), with Gurdip Bakshi
Cross-currency Consistency, Three-Part SDF Factorizations, and an Impossibility Theorem for the Stationarity of Exchange Rates in International Economies
- Luca Benzoni (Federal Reserve Bank of Chicago), with Lorenzo Garlappi and Robert Goldstein
Term Structures of Credit Spreads with Dynamic Debt Issuance and Incomplete Information
- Timothy Christensen (New York University)
Identification and Estimation of Dynamic Models with Robust Decision Makers
- Stelios Arvanitis (Athens University of Economics and Business), with Thierry Post and Selcuk Karabati
Portfolio Optimization Based on Stochastic Dominance and Empirical Likelihood

12:30-14:00

Lunch and poster session II

- Yuguo Liu (University of Houston), with Kris Jacobs
Extracting Dynamic Latent Factors from Large Option Panels
- Massimiliano Caporin (University of Padova), with Giovanni Bonaccolto and Sandra Paterlini
Decomposing and Backtesting a Flexible Specification for CoVaR
- Kasper Jørgensen (Aarhus University and CREATES)
How Learning from Macroeconomic Experiences Shapes the Yield Curve
- Dario Ruzzi (University of Bristol), with Nick Taylor
Flight to Safety in Volatility Forecasting
- Jules Tinang (Toulouse School of Economics)
Macro Uncertainty and the Term Structure of Risk Premium
- Tao Wu (Illinois Institute of Technology)
An Equilibrium Model with Buy and Hold Investors
- Cecilia Mancini (Università degli Studi di Firenze), with José Figueroa-Lopez
Optimum Thresholding Using Mean and Conditional Mean Square Error
- Stavroula Yfanti (Lancaster University), with Menelaos Karanasos and Yongdeng Xu
Stylized Facts for Extended HEAVY/GARCH Models and MEM: the Importance of Asymmetries, Power Transformations, Long Memory, Structural Breaks and Spillovers
- Bernd Schwaab (European Central Bank), with Siem Jan Koopman and Geert Mesters
Nonlinear Dynamic Factor Models with Interacting Level and Volatility

14:00-16:00

Parallel session IV

HF Data: Zero and/or Signed Returns

Room A

Chairman: Davide Pirino (Università degli Studi di Roma "Tor Vergata")

- Aleksey Kolokolov (SAFE Center, University of Frankfurt), with Davide Pirino and Giulia Livieri
Statistical Inferences for Price Staleness
- Rogier Quaadvlieg (Erasmus School of Economics), with Tim Bollerslev and Andrew Patton
Realized Semicovariances: Looking for Signs of Direction Inside the Covariance Matrix
- Roberto Renò (Università degli Studi di Verona), with Aleksey Kolokolov
Jumps or Flatness?
- Davide Pirino (Università degli Studi di Roma "Tor Vergata"), with Federico Maria Bandi and Roberto Renò
Zeros

Asset Pricing with Many Assets

Room B

Chairman : Mehmet Caner (The Ohio State University)

- Hugues Langlois (HEC Paris), with Olivier Scaillet and Ines Chaieb
Time-Varying Risk Premia in Large International Equity Markets
- Markus Pelger (Stanford University), with Ruoxuan Xiong
State-Varying Factor Models of Large Dimensions
- Daniele Massacci (Bank of England)
Testing for Regime Changes in Large Dimensional Factor Models
- Mehmet Caner (The Ohio State University), with Anders Bredahl Kock
High Dimensional GMM

Financial Predictability

Room C

- Chairman: Stig Møller (Aarhus University)
- Rasmus Varneskov (Copenhagen Business School), with Torben Andersen
Consistent Inference for Predictive Regressions in Persistent VAR Economies
- Simon Smith (University of Southern California), with Allan Timmermann
Break Risk
- Mamiko Yamashita (Toulouse School of Economics), with Nour Meddahi
Return Predictability and Risk Management
- Stig Møller (Aarhus University)
Cyclical Consumption and Time-Variation in Expected Stock Returns

16:00-16:30 Coffee break

16:30-17:30 **Invited session IV** Chairman: TBD
Paolo Zaffaroni (Imperial College, London):
Robust Portfolio Choice

17:30-18:00 **SoFIE Members Meeting**

19:00-22:00 **SoFIE Council Meeting and Dinner**

Thursday June 14 th: Conference Day 3

9:00-10:00 **Invited session V**
Chairman: Tim Bollerslev (Duke University)

Caroline Uhler (Massachusetts Institute of Technology):
Estimating Covariance Matrices with Linear Structures

10:00-10:30	Coffee break
10:30-12:30	Parallel session V
	<hr/> <p>Contagion of Risk Room A</p> <hr/> <p>Chairwoman: Julia Schaumburg (Vrije Universiteit Amsterdam, De Nederlandsche Bank)</p> <ul style="list-style-type: none"> • <u>Jean-Paul Renne</u> (HEC Lausanne), with Sarah Mouabbi, Christian Gouriéroux and Alain Monfort <i>Disastrous Defaults</i> • <u>Ana-Maria Dumitru</u> (University of Surrey), with Thomas Holden <i>A Hawkes Model of the Transmission of European Sovereign Default Risk</i> • <u>Eva Janssens</u> (Tinbergen Institute), with Robin Lumdsaine and Sebastiaan Vermeulen <i>An Epidemiological Model of Crisis Spread Across Sectors in the United States</i> • <u>Julia Schaumburg</u> (Vrije Universiteit Amsterdam, De Nederlandsche Bank), with Dieter Wang and Iman van Lelyveld <i>Dynamic Portfolio Overlap Networks, Contagion, and the Credit Spread Puzzle</i> <hr/> <p>Machine Learning Room B</p> <hr/> <p>Chairman: Alexander Chinco (University of Illinois at Urbana-Champaign)</p> <ul style="list-style-type: none"> • <u>Apaar Sadhwani</u> (Google Brain), with Justin Sirignano (University of Illinois at Urbana-Champaign) and Kay Giesecke <i>Deep Learning for Mortgage Risk</i> • <u>Stefano Giglio</u> (Yale School of Management), with Guan hao Feng and Dacheng Xiu <i>Taming the Factor Zoo</i> • <u>Ekaterina Kazak</u> (University of Konstanz), with Winfried Pohlmeier <i>Portfolio Pretesting with Machine Learning</i> • <u>Alexander Chinco</u> (University of Illinois at Urbana-Champaign), with Mao Ye <i>Investment-Horizon Spillovers</i> <hr/> <p>Price Impact Room C</p> <hr/> <p>Chairman: Eric Aldrich (University of California, Santa Cruz)</p> <ul style="list-style-type: none"> • <u>Nikolaus Hautsch</u> (University of Vienna), with Gökhan Cebiroglu and Christopher Walsh <i>Revisiting the Stealth Trading Hypothesis: Does Time-Varying Liquidity Explain the Size-Effect?</i> • <u>Francesco Capponi</u> (Imperial College London) <i>Latent Liquidity and Price Impact</i> • <u>Gustavo Dias</u> (Aarhus University), with Cristina Scherrer and Marcelo Fernandes <i>Price Discovery in a Continuous-Time Setting</i> • <u>Eric Aldrich</u> (University of California, Santa Cruz), with Seung Lee <i>Relative Spread and Price Discovery</i> <hr/>
12:30-14:00	<p>Lunch and poster session III</p> <ul style="list-style-type: none"> • <u>Alessandro Casini</u> (Boston University), with Pierre Perron <i>Continuous Record Asymptotics for Structural Change Models</i> • <u>Roxana Halbleib</u> (University of Konstanz), with Giorgio Calzolari <i>Modelling Realized Covariance Matrices with Stochastic Volatility Latent Factors: Filter, Likelihood, Forecast</i>

- Petter Dahlström (Stockholm Business School), with Björn Hagströmer and Lars Nordén
Determinants of Limit Order Cancellations
- Sandrine Docgne Penlap (University of Houston)
Uncertainty and Covenant Design in Private and Public Debt
- Anastasija Tetereva (University of St. Gallen), with Ostap Okhrin
The Realized Hierarchical Archimedean Copula in Risk Modelling
- Giuseppe Buccheri (Scuola Normale Superiore), with Giacomo Bormetti, Fulvio Corsi and Fabrizio Lillo
A General Class of Score-Driven Smoothers
- Marcelo Medeiros (Pontifical Catholic University of Rio de Janeiro), with Diego Brito and Ruy Ribeiro
Forecasting Large Realized Covariance Matrices: The Benefits of Factor Models and Shrinkage

14:00-15:00

Invited session VI

Chairman: TBD

Allan Timmermann (University of California San Diego):
Pockets of Predictability

15:00-16:30

Parallel session VI

Long and Short Run Components

Room A

Chairman: Andrea Tamoni (London School of Economics)

- Federico Severino (Università della Svizzera italiana), with Fulvio Ortu, Andrea Tamoni and Claudio Tebaldi
A Persistence-Based Wold-Type Decomposition for Stationary Time Series
- Charlotte Christiansen (Aarhus University), with Hossein Asgharian, Ai Jun Hou and Weining Wang
Long- and Short-Run Components of Factor Betas: Implications for Equity Pricing
- Andrea Tamoni (London School of Economics), with Federico Bandi
Long-Run Economic Uncertainty

Volatility Models

Room B

Chairwoman: Anne Opschoor (Vrije Universiteit Amsterdam)

- Christian Conrad (Heidelberg University), with Onno Kleen
Two are Better than One: Volatility Forecasting Using Multiplicative Component GARCH Models
- Fulvio Corsi (University of Pisa and City University of London), with Giuseppe Buccheri
Hark the Shark: Realized Volatility Modelling with Measurement Errors and Nonlinear Dependencies
- Anne Opschoor (Vrije Universiteit Amsterdam), with Andre Lucas
Modeling the Skewness of Realized Variances

Investing in Commodities, Art and Real Estate

Room C

Chairman: Preetesh Kantak (Indiana University)

- Nikolai Gräber (University of Muenster), with Nicole Branger and René Marian Flacke
Monopoly Power in the Oil Market and the Macroeconomy
- Christian Hafner (Université Catholique de Louvain), with Fabian Bocard and Eric Ghysels
Monthly Art Market Returns
- Preetesh Kantak (Indiana University)

Asset Prices, Local Prospects and the Geography of Housing Dynamics

* to be confirmed



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