



The Society for Financial Econometrics Inaugural Conference

NYU Stern School of Business ♦ New York, NY ♦ June 4-6, 2008

Sponsored by
The Stern Salomon Center and Beyondbond, Inc.

Wednesday, June 4th

**All sessions will be in room 2-60 (2nd floor) in the Henry Kaufman Management Center unless otherwise noted.*

- 1:00pm** **Opening and Registration in KMC Lobby (1st floor)**
*Please note that lunch will not be provided.
- 1:15 - 2:00pm** **Opening Remarks: Robert Engle and Eric Ghysels, Founding co-Presidents**

Chair: Robert Engle
Invited Speaker: **Matthew Richardson**, NYU Stern School of Business
"The Volatility of a Firm's Assets"
- 2:00 - 3:15pm** *Chair: Eric Jacquier*
Yacine Aït-Sahalia and Jean Jacod
"Estimating the Degree of Activity of Jumps in High Frequency Financial Data"
John Geweke and Gianni Amisano
"Hierarchical Markov Normal Mixture Models with Applications to Financial Asset Returns"
Peter Carr and Liuren Wu
"Simple Robust Linkages between CDS and Equity Options"
- 3:15 - 3:45pm** **Break in Commons, KMC 1-100 (1st floor)**
- 3:45 - 5:00pm** *Chair: Roberto Mariano*
Paolo Guasoni, Gur Huberman, and Zhenyu Wang
"Performance Maximization of Actively Managed Funds"
Andrew J. Patton and Allan Timmermann
"Portfolio Sorts and Tests of Cross-Sectional Patterns in Expected Returns"
Pierre Bajgrowicz and Olivier Scaillet
"Technical Trading Revisited: Persistence Tests, Transaction Costs, and False Discoveries"
- 5:00 - 5:45pm** *Chair: Eric Renault*
Journal of Financial Econometrics Invited Speaker:
Halbert White, University of California, San Diego
"Inference on Risk Neutral Measures for Incomplete Markets"
(co-authored with Hiroaki Kaido)
- 6:30pm** *Chair: Robert Whitelaw*
Beyondbond, Inc. Reception and Gala Dinner
Keynote Speaker: **Andrew Lo**, MIT
"What Will Happen To The Quants In 2017?"
Kimmel Center, 60 Washington Square South, Rosenthal Room (10th floor)
*There will be an additional registration table for those attending dinner

Thursday, June 5th

**All sessions will be in room 2-60 (2nd floor) in the Henry Kaufman Management Center unless otherwise noted.*

- 8:00am** **Registration in KMC Lobby (1st floor)**
*Small breakfast will be provided in Commons, KMC 1-100 (1st floor)
- 8:30 - 9:45am** *Chair: Federico Bandi*
Caio Almeida and René Garcia
“Empirical Likelihood Estimators for Stochastic Discount Factors”
Jianqing Fan and Lorian Mancini
“Option Pricing with Model-guided Nonparametric Methods”
K. Detlefsen, Wolfgang Härdle, and R.A. Moro
“Empirical Pricing Kernels and Investor Preferences”
- 9:45 - 10:15am** **Break in Commons, KMC 1-100 (1st floor)**
- 10:15-11:00am** *Chair: Luc Bauwens*
Invited Speaker: **Paul Embrechts**, ETH Zürich
“Statistics and Quantitative Risk Management”
- 11:00 - 11:50am** *Chair: Jeffrey Russell*
Turan Bali and Robert Engle
“Investigating ICAPM with Dynamic Conditional Correlations”
H. Bertholon, A. Monfort, and F. Pegoraro
“Econometric Asset Pricing Modelling”
- 12:00 – 1:30pm** *Chair: Robert Engle*
Luncheon Reception and Speaker
Charles I. Plosser, President and Chief Executive Officer – Federal Reserve Bank of Philadelphia
KMC 5-50 (5th floor)
- 1:30 -2:45pm** *Chair: Neil Shephard*
Per Mykland and Lan Zhang
“Inference for Continuous Semimartingales Observed at High Frequency: A General Approach”
Peter Hansen and Guillaume Horel
“Quadratic Variation by Markov Chains”
Eric Ghysels, Per Mykland, and Eric Renault
“In-sample Asymptotics and Across-sample Efficiency Gains for High Frequency Data Statistics”
- 2:45 - 3:15pm** **Break in Commons, KMC 1-100 (1st floor)**
- 3:15 - 4:20pm** *Chair: René Garcia*
Robert Engle, Neil Shephard, and Kevin Sheppard
“Fitting and Testing Vast Dimensional Time-Varying Covariance Models”
Jens Christensen, Francis X. Diebold and Glenn D. Rudebusch
“The Affine Arbitrage-Free Class of Nelson-Siegel Term Structure Models”

4:30pm – 5:45pm

Moderator: *Eric Ghysels*

Panel Discussion:

*“Default Risk Correlation Models:
Reflections on the Past and Challenges for the Future”*

Pierre Collin-Dufresne, *Goldman Sachs*

Paul Embrechts, *ETH Zurich, Department of Mathematics*

Robin Lumsdaine, *Board of Governors of the Federal Reserve System*

6:00 - 7:30pm

Posters Session I and Wine and Cheese Reception

[Poster session see below]

KMC 5-50 (5th floor)

Friday, June 6th

**All sessions will be in room 2-60 (2nd floor) in the Henry Kaufman Management Center unless otherwise noted.*

8:00am

Registration in KMC Lobby (1st floor)

**Small breakfast will be provided in Commons, KMC 1-100 (1st floor)*

8:30 - 9:45am

Chair: Tony Hall

Prosper Donovan, Silvia Goncalves, and Nour Meddahi

“Bootstrapping Realized Multivariate Volatility Measures”

Raymond Kan and Cesare Robotti

“Model Comparison Using the Hansen-Jagannathan Distance”

Viktoria Hnatkovska, Vadim Marmer, and Yao Tang

“Comparison of Misspecified Calibrated Models: The Minimum Distance Approach”

9:45 - 10:15am

Break in Commons, KMC 1-100 (1st floor)

10:15 - 11:00am

Chair: Robert Hodrick

Invited Speaker: **Doug Breeden**, *Duke University*

“Consumer Behavior As A Leading Indicator”

11:00 - 12:15pm

Chair: Tim Bollerslev

Jefferson Duarte and Christopher S. Jones

“The Price of Market Volatility Risk”

Federico M. Bandi, Claudia E. Moise, and Jeffrey R. Russell

“Market Volatility, Market Frictions, and the Cross-Section of Stock Returns”

Christian T. Brownlees and Giampiero M. Gallo

“Comparison of Volatility Measures: a Risk Management Perspective”

12:30 – 2:15pm

Posters Session II and Luncheon Reception [Poster session see below]

KMC 5-50 (5th floor)

Poster Session I

Borus Jungbacker and Siem Jan Koopman
“Likelihood-based Analysis for Dynamic Factor Models”

Po-Hsuan Hsu, Yu-Chin Hsu and Chung-Ming Kuan
“Testing the Predictive Ability of Technical Analysis with a New Stepwise Test without Data Snooping Bias”

Asger Lunde and Peter R. Hansen
“Volatility Persistence and Optimal Forecasting”

Simone Manganelli
“Forecasting with Judgment”

Anders Eriksson, Roberto S. Mariano, and Daniel Preve
“Statistical Tests for Multiple Forecast Comparison”

Gianluca Moretti and Libero Monteforte
“Forecasting High Frequency Inflation: The Role of Financial Variables”

Alessandro Palandri
“The Effects of Interest Rate Movements on Assets’ Correlations”

Federico Bandi and Benoît Perron
“Past Market Variance and the Cross-Section of Stock Returns”

Stefan Mittnik, Christian Pigorsch, and Uta Pigorsch
“A Multivariate Generalized Hyperbolic Stochastic Volatility Model and the Use of Realized Covariances”

Christian Pigorsch and Robert Stelzer
“A Multivariate Generalization of the Ornstein-Uhlenbeck Stochastic Volatility Model”

Marco Aiolfi, Marius Rodriguez, and Allan Timmermann
“Asymmetric Loss and the Term Structure of Analysts’ Earnings Expectations”

Kevin Sheppard
“Economic Factors and the Covariance of Equity Returns”

Remco Peters and Roy van der Weide
“Volatility: Expectations and Realizations Moving Together, in Sweet Harmony Preliminary and Incomplete Version”

Poster Session II

Caio Almeida and José Vicente

“The Role of No-Arbitrage on Forecasting: Lessons from a Parametric Term Structure Model”

Francesco Audrino and Fulvio Corsi

“Modeling Tick-by-Tick Realized Correlations”

Frederico Bandi and Roberto Reno

“Nonparametric Stochastic Volatility”

Andreas Blöchlinger

“The Next Generation of Default Prediction Models”

Kris Boudt, Christophe Croux and Sebastien Laurent

“Outlyingness Weighted Quadratic Covariation”

Cem Cakmakli and Dick van Dijk

“Predictability of Stock Return and Volatility: A Factor Based Approach”

Giuseppe Cavaliere, Anders Rahbek and A.M. Robert Taylor

“Testing for Co-integration in Vector Autoregressions with Non-Stationary Volatility”

Tolga Cenesizoglu and Allan Timmermann

“Can the Distribution of Stock Returns be Predicted?”

Thomas C. Chiang and Jiandong Li

“Stock returns and risk: Evidence from Quantile Regression Analysis”

Ray Y. Chou and Jiaquan Yao

“Smooth Transition CARR Models”

Christian Conrad and Menelaos Karanasos

“Negative Volatility Spillovers in the Unrestricted ECCG-GARCH Model”

Stefan Frey and Patrik Sandas

“Iceberg Orders and the Compensation for Liquidity Provision”

Jinggang Huang and Craig Friedman

“Modeling Multi-Period Corporate Default Probability when Hazard Ratios Decay”

J. Huber

“An Explanation for the Emergence of Commonly Observed Stylized Facts Using Data from Experimental Financial Markets”

José Da Fonseca, Martino Grasselli, and Florian Ielpo

“Estimating the Wishart Affine Stochastic Correlation Model using the Empirical Characteristic Function”

Nadja Guenster, Ben Jacobsen, and Erik Kole

“Riding Bubbles”