



5th annual conference of the Society for Financial Econometrics

20-22 June 2012

Hosted by: Oxford-Man Institute, University of Oxford

Held at Saïd Business School, University of Oxford

Preliminary Programme, as of 19th June, 2012

Wednesday, June 20, 2012

8:00-9:00am	Registration and coffee/tea with pastries, Saïd Business School
9:00-9:05am	Opening Remarks, Nelson Mandela Lecture Theatre Peter Tufano , Dean, Saïd Business School (University of Oxford)
9:05-9:50am	Invited Lecture, Nelson Mandela Lecture Theatre Chair: Francis X. Diebold, President of SoFiE (University of Pennsylvania) Eric Renault (Brown University) <i>"Disentangling the Effects of Heterogeneous Beliefs and Preferences on Asset Prices"</i> (with Fousseni Chabi-Yo and Eric Ghysels)
9:55-10:40am	Invited Lecture, Nelson Mandela Lecture Theatre Chair: Tarun Ramadorai (University of Oxford & OMI) Lord Robert May , OM (University of Oxford & OMI) <i>"Systemic Risk in Financial Ecosystems"</i>
10:40-11:10am	Refreshment Break
11:10am-12:40pm	Plenary Session: Multivariate Econometric Models, Nelson Mandela Lecture Theatre Chair: Anders Rahbek (Copenhagen University) Robert F. Engle , former President of SoFiE (New York University) <i>"Dynamic Conditional Beta"</i> Diaa Noureldin (University of Oxford & OMI) <i>"Multivariate Rotated ARCH models"</i> (with Neil Shephard and Kevin Sheppard, both University of Oxford and OMI) Andrew Patton (Duke University) <i>"Modelling Dependence in High Dimensions with Factor Copulas"</i> (with Dong Hwan Oh, Duke)
12:40-2:00pm	Lunch

Wednesday, June 20, 2012 cont.

2.00-2:45pm	<p>Invited JFEC Lecture, Nelson Mandela Lecture Theatre</p> <p>Chair: Eric Ghysels, Secretary of SoFiE & former President of SoFiE (University of North Carolina, Chapel Hill)</p> <p>Alain Monfort (CREST, Banque de France and Maastricht University) <i>“Regime Switching and Bond Pricing”</i></p>
2:45-3:45pm	<p>Plenary Session: Risk and Contagion, Nelson Mandela Lecture Theatre</p> <p>Chair: Richard Reid (International Centre for Financial Regulation)</p> <p>Drew Creal (University of Chicago) <i>“Market based credit ratings”</i> (with Robert Gramacy and Ruey Tsay, both University of Chicago)</p> <p>Bernd Schwaab (European Central Bank) <i>“Conditional Probabilities and Contagion Measures for Euro Area Sovereign Risk”</i> (with Xin Zhang and Andre Lucas, both VU University Amsterdam)</p>
3:45-4:15pm	Refreshment Break
4:15-5:45pm	<p>Plenary Session: Testing and Fitting, Nelson Mandela Lecture Theatre</p> <p>Chair: Per Mykland (University of Chicago)</p> <p>Anh Le (University of North Carolina at Chapel Hill) <i>“Interest Rate Volatility and No-Arbitrage Term Structure Models”</i> (with Scott Joslin, University of Southern California)</p> <p>Enrique Sentana (CEMFI) <i>“New Testing Approaches for Mean-Variance Predictability”</i> (with Gabriele Fiorentini, University of Florence)</p> <p>Viktor Todorov (Northwestern University) <i>“Parametric Inference, Testing and Dynamic State Recovery from Option Panels with Fixed Time Span”</i> (with Torben G Andersen and Nicola Fusari, both Northwestern)</p>
7:00-10:30pm	<p>Gala Dinner at The Ashmolean Museum of Art and Archaeology, Oxford</p> <p>Chair: Francis X. Diebold, President of SoFiE (University of Pennsylvania)</p> <p>Keynote Address: John Campbell (Harvard University) <i>“Mortgage Market Design”</i></p>

Thursday, June 21st, 2012

8:30-9:00am	Registration and coffee/tea with pastries, Saïd Business School
9:00-10:30am	Parallel Sessions
Session A	Asset Markets and Asset Allocation, Nelson Mandela Lecture Theatre Chair: Nikolaus Hautsch (Humboldt University) Patrick Gagliardini (University of Lugano and Swiss Finance Institute) " <i>Time-Varying Risk Premium in Large Cross-Sectional Equity Datasets</i> " (with Elisa Ossola, University of Lugano and Olivier Scaillet, University of Genève and Swiss Finance Institute) Michael McCracken (Federal Reserve Board of St Louis) " <i>Testing the Economic Value of Asset Return Predictability</i> " (Giorgio Valente, Essex University) Michalis Vasios (University of Warwick) " <i>Do Investors Benefit from More Transparency? An Asset Allocation Perspective</i> " (with Ingmar Nolte, University of Warwick and Richard Payne, City University)
Session B	High frequency data and volatility, Lecture Theatre 4 Chair: Cecilia Mancini (University of Florence) Dobrislav Dobrev (Federal Reserve Board of Governors) " <i>A Functional Filtering and Neighborhood Truncation Approach to Integrated Quarticity Estimation</i> " (with Torben G Andersen, Northwestern, and Ernst Schamburg, New York Fed) Ulrich Hounyo (University of Montreal) " <i>Bootstrapping Pre-Averaged Realized Volatility Under Market Microstructure Noise</i> " (with Silvia Goncalves, University of Montreal and Nour Meddahi, University of Toulouse) Zhiyuan Zhang (Shanghai University of Finance and Economics) " <i>Volatility Inference in The Presence of Both Endogenous Time and Microstructure Noise</i> " (with Yingying Li and Xinghua Zheng, both Hong Kong University of Science and Technology)
10:30-11:00am	Refreshment Break
11:00-11:45am	Invited Lecture, Nelson Mandela Lecture Theatre Chair: Christian Gourieroux (University of Toronto and CREST) Lan Zhang (University of Illinois at Chicago) " <i>The Algebra of High Frequency Estimation</i> "

Thursday, June 21st, 2012 cont.

11:45-2:00pm

Lunch and Poster Session 1

Simon Dubecq (Bank of France) *"Shock on Variable or Shock on Distribution with Application to Stress-Tests"*

Andras Fulop (ESSEC) *"Marginal Sequential Monte Carlo Samplers"* (with Jin-Chuan Duan, National University of Singapore)

Giampiero Gallo (University of Florence) *"Common Dynamics in Volatility: A Composite vMEM Approach"* (with Fabrizio Cipollini, University of Florence)

Robin Lumsdaine (American University) *"Main Street vs. Wall Street: A Comparison of Survey Expectations to Option-Implied Probabilities"* (with Rogier J.D. Potter van Loon, Erasmus University Rotterdam)

Todd Prono (Commodity Futures Trading Commission) *"When A Factor Is Measured with Error: The Role of Conditional Heteroskedasticity in Identifying and Estimating Linear Factor Models"*

Aurelio Vasquez (ITAM) *"Do Realized Skewness and Kurtosis Predict the Cross-Section of Equity Returns?"* (joint with Diego Amaya, HEC, Peter Christoffersen, University of Toronto and Kris Jacobs, University of Houston)

2.00-4.00pm

Parallel Sessions

Session A

Conditional Mean and Variance Dynamics, Nelson Mandela Lecture Theatre

Chair: Asger Lunde (Aarhus University)

Eric Ghysels (University of North Carolina at Chapel Hill) *"Macroeconomics and the Reality of Mixed Frequency Data"*

Siem Jan Koopman (VU University Amsterdam) *"Long-Memory Dynamics for Multivariate Dependence Under Fat Tails"* (Pawel Janus and Andre Lucas, both VU University Amsterdam)

Sai Kwok (Cornell University) *"A Nonparametric Test of Granger Causality in Continuous Time"*

George Tauchen (Duke University) *"Inverse Realized Laplace Transforms for Nonparametric Volatility Density Estimation in Jump-Diffusions"* (with Viktor Todorov, Northwestern)

Thursday, June 21st, 2012 cont.

Session B	<p>Equity and Options Premia, Lecture Theatre 4</p> <p>Chair: Giampiero M. Gallo (University of Florence)</p> <p>Jean-Sebastien Fontain (Bank of Canada) <i>“Risk Premium, Variance Premium and the Maturity Structure of Uncertainty”</i> (Bruno Feunou, Bank of Canada, Abderrahim Taamouti, Carlos III, Madrid and Romeo Tedongap, Stockholm School of Economics)</p> <p>Thomas McCurdy (University of Toronto) <i>“Do Jumps Contribute to the Dynamics of the Equity Premium?”</i> (with John Maheu and Xiaofei Zhao, both University of Toronto)</p> <p>Diego Ronchetti (Columbia University and University of Lugano) <i>“An Empirical Study of Stock and American Option Prices”</i></p> <p>Jun Yu (Singapore Management University) <i>“Testing for Multiple Bubbles”</i> (with Shu-Ping Shi, ANU and Peter C.B. Phillips, Yale, Southampton and SMU)</p>
4.00-4.30pm	Refreshment Break
4.30-5.15pm	<p>Invited Lecture, Nelson Mandela Lecture Theatre</p> <p>Chair: Michael Binder (Goethe University)</p> <p>M. Hashem Pesaran (University of Cambridge and USC) <i>“Testing CAPM with a Large Number of Assets”</i> (with Takashi Yamagata, University of York)</p>
5.15-5.45pm	Society for Financial Econometrics Members Meeting, Nelson Mandela Lecture Theatre
7.00-10.00pm	Working dinner for Council members and officers of the Society for Financial Econometrics, Rhodes House, Oxford (invitation only)

Friday, June 22nd, 2012

8.30-9.00am	Registration and coffee/tea with pastries, Saïd Business School
9.00-11.00am	Parallel Sessions
Session A	<p>Volatility, Nelson Mandela Lecture Theatre</p> <p>Chair: Roel Oomen (Deutsche Bank)</p> <p>Luc Bauwens (University of Louvain) <i>“CAW-DCC: A dynamic model for vast realized covariance matrices”</i> (Giuseppe Storti, University of Salerno and Francesco Violante, Maastricht University)</p> <p>Christian Hafner (University of Louvain) <i>“Volatility of Price Indices for Heterogeneous Goods”</i> (with Fabian Bocart, University of Louvain)</p> <p>Dacheng Xiu (University of Chicago) <i>“A Tale of Two Option Markets: State-Price Densities Implied from S&P 500 and VIX Option Prices”</i> (with Zhaogang Song, Board of Governors of the Federal Reserve System)</p> <p>Paolo Zaffaroni (Imperial College London) <i>“On Moment Conditions for Quasi-Maximum Likelihood Estimation of Multivariate ARCH Models”</i> (with Marco Avarucci and Eric Beutner, Maastricht University).</p>
Session B	<p>Bond and Currency Market Modeling, Lecture Theatre 4</p> <p>Chair: Robin Lumsdaine (American University)</p> <p>Glenn Rudebusch (Federal Reserve Bank of San Francisco) <i>“The Signaling Channel for Federal Reserve Bond Purchases”</i> (with, Michael Bauer San Francisco Fed)</p> <p>Mikhail Chernov (London School of Economics) <i>“Crash Risk in Currency Returns”</i> (with Jeremy Graveline, University of Minnesota and Irina Zviadadze, London Business School)</p> <p>Kameliya Filipova (University of St Gallen) <i>“Yield Curve Predictability, Regimes, and Macroeconomic Information: An Asset- Pricing Approach”</i> (with Francesco Audrino and Enrico De Giorgi, both University of St Gallen)</p> <p>Zhaogang Song (Board of Governors of the Federal Reserve System) <i>“Affine Jump Term Structure Models: Statistical Tests, Expectation Puzzles, and Conditional Volatility”</i> (Haitao Li, University of Michigan)</p>
11.00-11.30am	Refreshment Break
11.30am-12.15pm	<p>Invited Lecture, Nelson Mandela Lecture Theatre</p> <p>Chair: Stephen J. Taylor (Lancaster University)</p> <p>Rene Garcia (EDHEC Business School) <i>“Robust Economic Implications of Nonlinear Pricing Kernels”</i> (joint with Caio Almeida, FGV Rio de Janeiro)</p>

Friday, June 22nd, 2012 cont.

12.15-2.15pm	Lunch and Poster Session 2
	<p>Caio Almeida (Getulio Vargas Foundation) "<i>Forecasting Bond Yields with Segmented Term Structure Models</i>" (with Axel Simonsen, Getulio Vargas Foundation and Jose Vicente, Central Bank of Brazil)</p> <p>Cavit Pakel (University of Oxford) "<i>Bias Reduction under Dependence, in a Nonlinear and Dynamic Panel Setting: The Case of GARCH Panels</i>"</p> <p>Simon Dubecq (Bank of France and CREST) "<i>Shock on Variable or Shock on Distribution with Application to Stress-Tests</i>" (with Christian Gourieroux, CREST and University of Toronto)</p> <p>Philipp Andres (University of Cambridge) "<i>The Dynamic Location/Scale model, With Application to Intra-Day Data</i>" (with Andrew Harvey, University of Cambridge)</p> <p>Stanislav Khrapov (New Economics School) "<i>Pricing Central Tendency in Volatility</i>"</p> <p>Jeremy Large (University of Oxford) "<i>Accounting for the Epps Effect: Realized Covariation, Cointegration and Common Factor</i>"</p> <p>Ingmar Nolte (University of Warwick) "<i>An MCMC Approach to Multivariate Density Forecasting: An Application to Liquidity</i>" (with Fabian Kruger, University of Konstanz)</p>
2.15-3.00pm	<p>Invited Lecture, Nelson Mandela Lecture Theatre</p> <p>Chair: Torben G. Andersen (Northwestern)</p> <p>Peter Hansen (European University Institute & Stanford) "<i>Choice of Sample Split in Out-of-Sample Forecast Evaluation</i>" (with Allan Timmermann, UCSD).</p>
3.00-4.30pm	<p>Plenary Session: Aspects of Pricing, Nelson Mandela Lecture Theatre</p> <p>Chair: Herman van Dijk (Erasmus University, Rotterdam)</p> <p>Luca Benzoni (Federal Reserve Bank of Chicago) "<i>Core and `Crust`: Consumer Prices and the Term Structure of Interest Rates</i>" (with Andrea Ajello, Board of Governors of the Federal Reserve System and Northwestern and Olena Chyruk, Chicago Fed)</p> <p>Matthias Fengler (University of St Gallen) "<i>Semi-Nonparametric Estimation of the Call Price Surface under No-Arbitrage Constraints</i>" (with Lin-Yee Hin, Emphron Informatics)</p> <p>Seth Pruitt (Federal Reserve Board of Governors) "<i>Market Expectations in the Cross Section of Present Values</i>" (with Bryan Kelly, Chicago University)</p>
4.30pm	<p>Closing Remarks</p> <p>Notes:</p> <p>The Oxford-Man Institute thanks Man Group plc for the extraordinary support it gives to all of the OMI activities.</p> <p>This conference has also been supported by:</p> <p>The Bank of England and</p> <p>Numerical Algorithm Group plc.</p> <p>Oxford Finance, which coordinates Oxford University's finance-related activities.</p> <p>The Institute for New Economic Thinking at the Oxford Martin School (which is directed by Professor Sir David Hendry).</p>