

Financial Econometrics and Empirical Asset Pricing Conference
(SoFiE Co-sponsored Joint Conference)
30th of June – 1st of July 2016

PROGRAMME

Thursday – 30th June 2016

8:30-8:50 Registration/Coffee

8:50-9:00 **Opening Remarks: Angus Laing, Dean of Lancaster University Management School**

SESSION 1 (Plenary)
Chair: Stephen Taylor

9:00-10:00 **Keynote Speech**
Room: Lecture Theatre 1
Torben Andersen, Northwestern University
Title: The Pricing of Tail Risk and the Equity Premium: Evidence from International Option Markets
(with Nicola Fusari and Viktor Todorov)

10:00-10:15 Refreshment Break

SESSION 2 (Parallel)

10:15-12:15 **Parallel Session 2A: Limit Order Book Information**
Room: Lecture Theatre 1
Chair: Lorenzo Braccini

Soheil Mahmoodzadeh, University of Cambridge
White Noise Jumps and Adverse Selection in FX Market (with Ramazan Gençay and Michael C. Tseng, Simon Fraser University)
Andreas Fuest, Ludwig-Maximilians-Universität München
Functional Liquidity and Low-Latency Volatility
Sarah Zhang, Manchester Business School
Do High-Frequency Traders Stabilize Markets? Evidence from the European Futures Market (with S. Michael Noé, Humboldt-Universität zu Berlin and Nikolaus Hautsch, University of Vienna)
Lorenzo Braccini, Banca d'Italia
Financial Trading Over The Years: A Multifractal Intensity Perspective

10:15-12:15 **Parallel Session 2B: Financial Markets I**
Room: Lecture Theatre 2
Chair: Wenying Yao

Mohammad S. Hasan, University of Kent
Global Financial Crisis and Multiscale Systematic Risk: Evidence from Selected European Stock Markets (with Antonis Alexandridis, University of Kent)
Dobrislav Dobrev, Federal Reserve Board of Governors
High-Frequency Cross-Market Trading: Model Free Measurement and Applications (with Ernst Schaumburg, Federal Reserve Bank of New York)
Roman Kozhan, University of Warwick
Shorting on Toxic Arbitrage (with Arie E. Gozluklu and Linquan Chen, University of Warwick)
Wenying Yao, Monash University
Modelling Financial Contagion Using High Frequency Data (with Mardi Dungey, University of Cambridge)

10:15-12:15 **Parallel Session 2C: Bonds I**
Room: Lecture Theatre 5 Chair: Ilaria Piatti

Jens Dick-Nielsen, Copenhagen Business School

The Cost of Immediacy for Corporate Bonds (with Marco Rossi, Texas A&M University)

Martin M. Andreasen, Aarhus University

The TIPS Liquidity Premium (with Jens Christensen, Kevin Cook and Simon Riddell, Federal Reserve Bank of San Francisco)

Laura Coroneo, University of York

TIPS Liquidity Premium and Quantitative Easing

Ilaria Piatti, University of Oxford

The Cross-Section of Subjective Bond Risk Premia (with Andrea Buraschi, Imperial College Business School and Paul Whelan, Copenhagen Business School)

12:15-13:15 *Lunch and Poster Session I*
Venue: Charles Carter Building, Foyer

SESSION 3 (Plenary)

Chair: Jonatan Groba

13:15-14:15 **Keynote Speech**

Room: Lecture Theatre 1

Oliver Linton, University of Cambridge

Title: *Simple Nonparametric Estimators for the Bid-Ask Spread in the Roll Model* (with Xiaohong Chen, Stefan Schneeberger and Yanping Yi)

14:15-14:30 Refreshment Break

SESSION 4 (Parallel)

14:30-16:00 **Parallel Session 4A: Options**
Room: Lecture Theatre 1 Chair: Jeroen Dalderop

Yang-Ho Park, Federal Reserve Board

Price Dislocation and Price Discovery in the S&P 500 Options and VIX Derivatives Markets

Roman Kozhan, University of Warwick

The Term Structure of Implied Volatility and Volatility Risk Premia in the FX Market (with Pasquale Della Corte, Imperial College London and Anthony Neuberger, Cass Business School)

Jeroen Dalderop, University of Cambridge

Nonparametric State-Price Density Estimation using High Frequency Data

14:30-16:00 **Parallel Session 4B: Credit Risk**

Room: Lecture Theatre 2

Chair: Bart Keijsers

Gregor N.F. Weiß, University of Leipzig

Extreme Liquidity Risk and Credit Default Swap Spreads (with Felix Irresberger, Janet Gabrysch and Sandra Gabrysch, TU Dortmund University)

Stace Sirmans, University of Arkansas

Related Securities and the Cross-Section of Stock Return Momentum (with Jongsub Lee and Andy Naranjo, University of Florida)

Bart Keijsers, Erasmus University Rotterdam

Cyclicalities in Losses on Bank Loans (with Bart Diris and Erik Kole, Erasmus University Rotterdam)

14:30-16:00 **Parallel Session 4C: Asset Pricing I**

Room: Lecture Theatre 5

Chair: Jun Li

Jantje Soenksen, University of Tuebingen

Consumption-Based Asset Pricing with Rare Disaster Risk: A Simulated Method of Moments Approach (with Joachim Grammig, University of Tuebingen)

Jun Li, University of Texas at Dallas

Short-run and Long-run Consumption Risks, Dividend Processes and Asset Returns (with Harold H. Zhang, University of Texas at Dallas)

16:15-16:30 Refreshment Break

16:30-18:00

Parallel Session 5A: Covariance Modelling**Room: Lecture Theatre 1***Chair: Lukas Vacha***Anne Opschoor, Vrije Universiteit Amsterdam***Fractionally Integrated Multivariate Models for Fat-Tailed Realized Covariance Kernels and Returns*
(with Andre Lucas, Vrije Universiteit Amsterdam)**Manuela Braione, Université Catholique de Louvain***A Dynamic Component Model for Forecasting High-Dimensional Realized Covariance Matrices* (with Luc Bauwens and Giuseppe Storti, Université Catholique de Louvain)**Lukas Vacha, Charles University in Prague***Do Co-Jumps Impact Correlations in Currency Markets?* (with Jozef Barunik, Charles University in Prague)

16:30-18:00

Parallel Session 5B: Forecasting**Room: Lecture Theatre 2***Chair: Yifan Li***Yoontae Jeon, University of Toronto***Optimal Data Histories for Forecasting Correlations* (with Thomas McCurdy, University of Toronto)**František Čech, Charles University in Prague***On the Modelling and Forecasting Multivariate Realized Volatility - Generalized Heterogeneous Autoregressive (GHAR) Model* (with Jozef Barunik, Charles University in Prague)**Yifan Li, Lancaster University***A Markov Switching Autoregressive Conditional Intensity Model* (with Ingmar Nolte and Sandra Nolte, Lancaster University)

16:30-18:00

Parallel Session 5C: Asset Pricing II**Room: Lecture Theatre 5***Chair: Liya Chu***Charlotte Christiansen, Aarhus University***Common Real Estate Crashes* (with Jonas Nygaard Eriksen and Stig Vinther Mølle, Aarhus University)**Ilias Tsiakas, University of Guelph***A New Approach to Equity Premium Prediction: Economic Fundamentals Matter!* (with Jiahan Li, GMO)**Liya Chu, Singapore Management University***Market Sentiment and Paradigm Shifts in Equity Premium Forecasting* (with Tony Xue-Zhong He, Kai Li, University of Technology Sydney and Jun Tu, Singapore Management University)

Thursday – 30th June 2016

Conference Dinner – Midland Hotel – Art Deco Hotel

18:45 Coach pick up from Lancaster House Hotel Reception
(Lancaster House Hotel is just opposite the Management School's main entrance across the road)

19:15 Drinks Reception

Conference Dinner
19:30 **Dinner Speech: Richard Olsen, Lykke**
Title: A Universal Marketplace for all Asset Classes and Instruments with Blockchain

23:00 Coach return to Lancaster City Centre and Lancaster House Hotel

The Midland Hotel

Marine Road West
Morecambe
LA4 4BU
+44 (0)1524 424000

Friday – 1st July 2016

8:30-8:50 Refreshments

SESSION 6 (Plenary)
Chair: Mark Shackleton

9:00-10:00 **Keynote Speech**
Room: Lecture Theatre 2
Joost Driessen, Tilburg University
Title: *The Dividend Term Structure*

10:00-10:15 Refreshment Break

SESSION 7 (Parallel)

10:15-12:15 **Parallel Session 7A: Volatility Modelling**
Room: Lecture Theatre 2
Chair: Nikolaus Hautsch

Peter Malec, University of Cambridge

Modelling Intraday Volatility Using Order Book Information: A Semiparametric Approach

Merrick Zhen Li, University of Amsterdam

How to Estimate Integrated Volatility with Potentially Time-Dependent Microstructure Noise Using High-Frequency Data (with Roger Laeven and Michel Vellekoop, University of Amsterdam)

Xiaolu Zhao, Lancaster University

More Accurate Volatility Estimation and Forecasts Using Price Durations (with Ingmar Nolte and Stephen Taylor, Lancaster University)

Nikolaus Hautsch, University of Vienna

Volatility, Information Feedback and Market Microstructure Noise: A Tale of Two Regimes (with Torben Andersen, Northwestern University and Gökhan Cebiroğlu, University of Vienna)

10:15-12:15 **Parallel Session 7B: Market Microstructure**
Room: Lecture Theatre 3
Chair: Akos Horvath

Dion Bongaerts, Erasmus University Rotterdam

Cross-Sectional Identification of Informed Trading (with Dominik Rösch and Mathijs van Dijk, Erasmus University Rotterdam)

Efthymios Rizopoulos, University of Manchester

Market Microstructure Invariance in the FTSE 100 (with Michael Bowe and S. Sarah Zhang, University of Manchester)

Akos Horvath, University of Vienna

NASDAQ Trading Pauses: Pacifiers or Amplifiers (with Nikolaus Hautsch, University of Vienna)

10:15-12:15 **Parallel Session 7C: Risk**
Room: Lecture Theatre 5 Chair: Rustam Ibragimov

Ian Marsh, Cass Business School

Foreign Exchange Trading Strategies and Rare Events (with Jason Cen, University of Cambridge)

Sander Barendse, Erasmus University Rotterdam

Global Currency Hedging with Dynamic Copulas (with Dick van Dijk and Erik Kole, Erasmus University Rotterdam)

Rustam Ibragimov, Imperial College Business School

Fat tails and copulas: Limits of Diversification revisited (with Jingyuan Mo, NYU Stern School of Business and Artem Prokhorov, University of Sydney)

12:15-13:15 *Lunch and Poster Session II*
Venue: Breakout Area LT2 and LT3

13:15-14:15 **Keynote Speech**
Room: Lecture Theatre 2
Federico Bandi, Johns Hopkins University
Title: Low Frequency-Asset Pricing

14:15-14:30 Refreshment Break

14:30-16:00 **Parallel Session 9A: Options and Skewness**
Room: Lecture Theatre 2
Chair: Alexander Kraftschik

Aristogenis Lazos, University of Essex
Investor Heterogeneity, Sentiment, and Skewness Preference in Options Market (with Jerry Coakley, University of Essex and Xiaoquan Liu, University of Nottingham)
Kevin Aretz, University of Manchester
Do Stock Markets Price Expected Stock Skewness? New Evidence from Quantile Regression Skewness Forecasts (with Eser Arisoy, Université Paris-Dauphine)
Alexander Kraftschik, University of Muenster
The Volatility-of-Volatility Term Structure (with Nicole Branger and Hendrik Hülsbusch, University of Muenster)

14:30-16:00 **Parallel Session 9B: Financial Markets II**
Room: Lecture Theatre 3
Chair: Alberto Martin-Utrera

Michalis Vasios, Bank of England
Centralized Trading, Transparency and Interest Rate Swap Market Liquidity: Evidence from the Implementation of the Dodd-Frank Act (with Evangelos Benos, Bank of England and Richard Payne, Cass Business School)
Ferenc Horváth, Tilburg University
Robust Pricing of Fixed Income Securities (with Frank de Jong and Bas J.M. Werker, Tilburg University)
Alberto Martin-Utrera, Lancaster University
Fifty Ways to Beat the Market? A Portfolio Perspective on Investment Anomalies (with Victor DeMiguel, London Business School, Francisco J. Nogales, Universidad Carlos III de Madrid and Raman Uppal, EDHEC Business School)

14:30-16:00 **Parallel Session 9C: Asset Pricing III**
Room: Lecture Theatre 5
Chair: Winfried Pohlmeier

Giovanni Bonaccolto, University of Padova
Asset Allocation Strategies Based on Penalized Quantile Regression (with Massimiliano Caporin, University of Padova and Sandra Paterlini, European Business School)
Fabian Hollstein, Leibniz University Hannover
The Value of High-Frequency Data for Beta Estimation (with Marcel Prokopczuk, Leibniz University Hannover and Chardin Wese Simen, University of Reading)
Winfried Pohlmeier, University of Konstanz
Bayesian Regularization of Portfolio Weights (with Christoph Frey, University of Konstanz)

16:15-16:30 Refreshment Break

16:30-18:00

Parallel Session 10A: Estimation**Room: Lecture Theatre 2***Chair: Georgios Skoulakis***Gustavo Schwenkler, Boston University***Efficient Parameter Estimation for Multivariate Jump-Diffusions***Simon Smith, Lancaster University***Estimating Multiple Structural Breaks in a Bayesian Panel Regression Model***Georgios Skoulakis, University of British Columbia***Ex-Post Risk Premia Tests Using Individual Stocks: The IV-GMM Solution to the EIV Problem*

16:30-18:00

Parallel Session 10B: Asset Pricing IV**Room: Lecture Theatre 3***Chair: Esther Eiling***Junhua Zhong, Dongbei University of Finance and Economics***The Factor Structure of Time-Varying Discount Rates (with Victoria Atanasov, University of Mannheim, Ilan Cooper and Richard Priestley, BI Norwegian Business School)***Anastasios Kagkadis, Lancaster University***Differences in Expectations and the Cross Section of Stock Returns (Panayiotis C. Andreou, Dennis Philip and Ruslan Tuneshev, Durham University Business School)***Esther Eiling, University of Amsterdam***Sectoral Labor Reallocation and Return Predictability (with Raymond Kan and Ali Sharifkhani, University of Toronto)*

POSTER SESSION I

Thursday – 30th June 2016

Venue: Charles Carter Building, Foyer

Thor Pajhede, University of Copenhagen

Backtesting Value at Risk: A Generalized Markov Framework

Xuemin Yan, University of Missouri

Fundamental Analysis and the Cross-Section of Stock Returns: A Data-Mining Approach

(with Lingling Zheng, Renmin University of China)

Larry Su, Damascus University

Internationalisation and the Cross-section of Stock Returns: Evidence from Multinational Listed Companies in the UK (with Nawar Hashem, Damascus University)

Thanos Verousis, Newcastle University

Cross-Sectional Dispersion and Expected Returns (with Nikolaos Voukelatos, University of Kent)

Linzhi Tan, University of Exeter

The Dynamic Black-Litterman Approach to Asset Allocation

(with Richard D.F. Harris, University of Exeter and Evarist Stoja, University of Bristol)

Zivile Zekaite, University of Glasgow

Monetary Policy and Corporate Bond Returns (with Alexandros Kontonikas, University of Glasgow and Paulo Maio, Hanken School of Economics)

Alan Hanna, Queen's University Belfast

Corporate Bond Default Risk: Seeing the Wood through the Trees?

Fabio Calonaci, University of London

Jumps and Leverage Components, Key Variables in the Description of Stock Market Volatility

Henri Nyberg, Aalto University School of Business

Noncausality and the Commodity Currency Hypothesis (with Matthijs Lof, Aalto University School of Business)

Felix Irresberger, TU Dortmund University

Noise Trading in the Credit Default Swap Market (with Gregor N.F. Weiß, University of Leipzig)

Jozef Barunik, Charles University in Prague

Quantile Cross-Spectral Measures of Dependence between Economic Variables

(with Tobias Kley, London School of Economics)

Jingya Wang, University of Manchester

Analyzing the Short-Term Predictability of the Stock Market (with Alex P. Taylor, University of Manchester)

Marcin Zamojski, VU Amsterdam

Filtering with Confidence: In-Sample Confidence Bands for GARCH Filters

Yixiao Jiang, Rutgers University

Semiparametric Estimation of a Credit Rating Model for Corporate Bonds

Patrick Launhardt, University of Ulm

The Out-of-Sample Predictive Power of Aggregate Insider Trading

(with Andre Guettler, University of Ulm and Patrick Hable, University of Frankfurt)

Stefan Voigt, University of Konstanz

Posterior Inference for Portfolio Weights (with Christoph Frey and Winfried Pohlmeier, University of Konstanz)

Alessandro Palandri, Dublin City University

Apophenia? Data under-mining the volatility leverage-effect

Alessandro Pollastri, Maastricht University

Risk Measures with Model Risk (with Peter C. Schotman, Maastricht University)

POSTER SESSION II

Friday – 1st July 2016

Venue: Breakout Area LT2 and LT3

Rachel Li, University of Dusseldorf

Uncovering the Dynamics of Default Risk Based on CDS Liquidity and Volatility Risk Premium
(with Ser-Huang Poon, University of Manchester)

Marcelo Zeuli, Brazilian Central Bank

Backtesting Basel III: Evaluating the Market Risk of Past Crises in Brazil through the Current Regulation
(with André Carvalho, National Bank for Economic and Social Development)

Davide Tedeschini, University of Lugano

Trading Central Moments (with Paul Schneider, University of Lugano)

Chi-Hsiou Daniel Hung, University of Glasgow

A Parsimonious Asset Pricing Model with Exchange Traded Funds
(with Anurag Banerjee and Junqi Li, Durham University)

Mark Hallam, University College Dublin

Mixed-Frequency Macro-Financial Spillovers (with John Cotter, University College Dublin)

Vitali Alexeev, University of Tasmania and University of Guelph

Asymmetric Jump Beta Estimation with Implications for Portfolio Risk Management
(with Wenying Yao, University of Tasmania and Giovanni Urga, Cass Business School)

Patrick Konermann, University of Muenster

Equilibrium Asset Pricing in Directed Networks with Mutually Exciting Jumps (with Nicole Branger, University of Muenster, Christoph Meinerding and Christian Schlag, Goethe University Frankfurt)

Esra Ulasan, Ege University

Estimating Risk in Large Portfolios
(with Mehmet Caner, The Ohio State University, Laurent Callot and A.Ozlem Onder, Ege University)

Erik Kole, Erasmus University Rotterdam

Forecasting Value-at-Risk under Temporal and Portfolio Aggregation (with Thijs Markwat, Robeco Asset Management, Anne Opschoor, VU University Amsterdam and Dick van Dijk, Erasmus University Rotterdam)

Caren Yinxia Nielsen, Lund University

Hidden in Factors? The Effect of Credit Risk on the Cross-Section of Equity Returns

Peter Exterkate, University of Sydney

Density Forecasting in Nonlinear Models with Stochastic Volatility

Lorenzo Braccini, Banca d'Italia

A Markov Switching Multifractal Conditional Poisson Model

Fabian Hollstein, Leibniz University Hannover

How Aggregate Uncertainty Affects Stock Prices (with Marcel Prokopczuk, Leibniz University Hannover)

Soheil Mahmoodzadeh, University of Cambridge

Price Impact of Aggressive Liquidity Provision (with Ramazan Gencay and Michael C.Tseng, Simon Fraser University and Jakub Rojcek, University of Zurich)

Gregor N.F. Weiß, TU Dortmund University

Asymmetric Tail Dependence in Investor Attention (with Marcus Scheffer, TU Dortmund University)

Christoph Meier, Macquarie University, Sydney

Aggregate Investor Confidence in the Stock Market

Patrick Voßkamp, University of Tuebingen

Optional Timing and Tilting of Equity Factors (with Harald Lohre, Invesco Asset Management)

2nd July 2016 - Optional Lake District Tour

08:45 Coach pick up from Lancaster House Hotel Reception

The day trip will include a coach trip to Keswick and the surrounding area, a boat tour, lunch and an optional easy walk.

18:00 Return to Lancaster House Hotel Reception



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