

10th Annual Society for Financial Econometrics (SoFiE) Pre-Conference

June 20, 2017

NYU Stern School of Business

Tisch

PROGRAM: PRE-CONFERENCE

Tuesday - June 20, 2017

9:00-10:50 am	Registration/Coffee	
10:50-11:00 am	Opening Remarks TBD, TBD	
		SESSION 1 - Location <i>Chair: Robin L. Lumsdaine</i>
11:00-12:00 pm	Session 1 47 - Arnaud Dufays , A New Approach to Volatility Modeling: the High-Dimensional Markov Model (with Maciej Augustyniak and Luc Bauwens) <i>Discussant: Eric Ghysels, UNC Chapel Hill</i> 65 - Denisa Banulescu-Radu , Volatility During the Financial Crisis Through the Lens of High Frequency Data: A Realized GARCH Approach (with Peter Reinhard Hansen, Zhuo Huang and Marius Matei) <i>Discussant: Caio Almeida, Getulio Vargas Foundation</i>	
12:00-1:00 pm	Lunch	
		SESSION 2 – Location <i>Chair: Peter R. Hansen, UNC Chapel Hill</i>
1:00-2:30 pm	Parallel Session 2A 12 - Mark Paddrik , Contagion in the CDS Market (with Sriram Rajan and H. Peyton Young) <i>Discussant: Emil Siriwardane, Harvard University</i> 15 - Gordon V. Chavez , Tail Inference with a Stochastic Entropy Model <i>Discussant: Dobrislav Dobrev, Board of Governors of the Federal Reserve System</i> 17 - Wee Song Chua , Forecasting Limit Order Book Liquidity Supply-Demand Curves with Functional AutoRegressive Dynamics (with Ying Chen and Wolfgang Karl Härdle) <i>Discussant: Peter R. Hansen, UNC Chapel Hill</i>	

SESSION 2 – Location*Chair: George Tauchen, Duke University*

1:00-2:30 pm

Parallel Session 2B**39 - Yoann Potiron**, Efficient Asymptotic Variance Reduction when estimating Volatility in High Frequency Data (with Simon Clinet)*Discussant: Jia Li, Duke University***59 - Julien Penasse**, The Missing Risk Premium in Exchange Rates (with Magnus Dahlquist)*Discussant: Federico M. Bandi, Johns Hopkins Carey Business School***114 - Mengheng Li**, Leverage, Asymmetry and Heavy Tails in High-Dimensional Factor Stochastic Volatility Model (with Marcel Scharth)*Discussant: George Tauchen, Duke University*

2:30-2:45 pm

Refreshment Break

SESSION – Location*Chair: Eric Ghysels, UNC Chapel Hill*

2:45-3:45 pm

Plenary Lecture**Raffaella Giacomini**, University College London

"TBD"

3:45-4:00 pm

Refreshment Break

SESSION 3 – Location*Chair: Francis X. Diebold, University of Pennsylvania*

4:00-5:30 pm

Parallel Session 3A**103 - Jinyuan Zhang**, Conditional Extremes in Asymmetric Financial Markets (with Natalia Nolde)*Discussant: Viktor Todorov, Kellogg School of Management Northwestern University***113 - Paola Pederzoli**, Crash Risk in Individual Stocks*Discussant: David S. Bates, Henry B. Tippie College of Business, University of Iowa***56 - Yang Liu**, Government Debt and Risk Premia*Discussant: Francis X. Diebold, University of Pennsylvania***SESSION 3 – Location***Chair: Andrew Patton*

4:00-5:30 pm

Parallel Session 3B**149 - Rasmus Lönn**, Empirical Asset Pricing with many Assets and Short Time Series (with Peter C. Schotman)*Discussant: Bryan Kelly***150 - Rob C. Sperna Weiland**, Feedback Between Credit and Liquidity Risk in the US Corporate Bond Market (with Roger J.A. Laeven and Frank de Jong)*Discussant: Jing Cynthia Wu, University of Chicago Booth and NBER***180 - Anne Opschoor**, Modeling Large Time-Varying Covariance Matrices by Observation-Driven Factor Copula Models (with Istvan Barra)*Discussant: Andrew Patton, Duke University***Pre Conference Ends**

10th Annual Society for Financial Econometrics (SoFiE) Pre-Conference

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PROGRAM

Wednesday - June 21, 2017

8:00-9:00 am Registration/Coffee

9:00-9:10 am *Opening Remarks*
TBD

SESSION 1 (Plenary) – Location Chair: TBD

9:10-10:00 am *Invited Lecture*
Bryan Kelly, *University of Chicago Booth School of Business*
“TBD”

10:00-10:15 am Refreshment Break

SESSION 2 (Parallel) - Locations

10:15-12:15 pm *Parallel Session 2A: NEWS*
Chair: *Fulvio Corsi, Ca' Foscari University of Venice*
3 - Jia Li, Volume, Volatility and Public News Announcements (with Tim Bollerslev and Yuan Xue)
69 - Thomas Renault, Market Reaction to News and Investor Attention at High-Frequency (with Deniz Erdemlioglu and Roland Gillet)
14 - Gustavo Fruet Dias, Volatility Discovery (with Cristina Mabel Scherrer and Fotis Papailias)
125 - Anastasija Teterova, Sentiment Spillover Effects for US and European Companies (with Francesco Audrino)

10:15-12:15 pm *Parallel Session 2B: CRASHES and CRISES*
Chair: *Jing Cynthia Wu, University of Chicago and NBER*
53 - David S. Bates, How Crashes Develop: Intradaily Volatility and Crash Evolution
227 - Charlotte Christiansen, Common Extreme Real Estate Returns (with Jonas N. Eriksen, and Stig V. Møller)

207 - Russ Wermers, Transparency, Investor Information Acquisition, and Money Market Fund Risk Rebalancing during the 2011-12 Eurozone Crisis (with Emily Gallagher, Lawrence Schmidt and Allan Timmermann)

63 - Chayawat Ornthanalai, Time-Varying Crash Risk: The Role of Stock Market Liquidity (with Peter Christoffersen, Bruno Feunou and Yoontae Jeon)

10:15-12:15 pm

Parallel Session 2C: DECISIONS

Chair: TBD

29 - Simone Manganelli, Deciding with Judgment

170 - Jose A. Lopez, Calibrating Macroprudential Policy to Forecasts of Financial Stability (with Scott A. Brave)

195 - Paul Whelan, The Unintended Consequences of Central Bank Communication (with Matteo Leombroni, Andrea Vedolin and Gyuri Venter)

191 - Gustavo Schwenkler, Likelihood Inference for Large Financial Systems (with Justin A. Sirignano and Kay Giesecke)

10:15-12:15 pm

Parallel Session 2D: VARIANCE RISK

Chair: TBD

206 - Tong Wang, Implied Variance and Market Index Reversal (with Christopher S. Jones and Sung June Pyun)

168 - Giacomo Bormetti, Term Structure of Variance Risk Premium and Returns' Predictability (with Fulvio Corsi and Adam A. Majewski)

30 - Yang-Ho Park, On the Relation between S&P 500 Options and VIX Derivatives

55 - Yang Liu, Volatility Risk Pass-Through (with Riccardo Colacito, Mariano Croce and Ivan Shaliastovich)

12:15-1:45 pm

Lunch – Location

Poster Session 1 – Location

12:15-1:45 pm

Poster Session 1

10 - Kasper Jørgensen, The Importance of Timing Attitudes in Consumption-Based Asset Pricing Models (with Martin Møller Andreasen)

11 - Lin Gao, Macro Fundamentals or Geopolitical Events? A Textual Analysis of News Events for Crude Oil (with Michael W. Brandt)

20 - Karin Stürmer, Time-Varying Volatility Persistence in a GARCH-MIDAS Framework

51 - PRESENTER TBA, Tail risk in government bond markets and ECB unconventional policies (with Bernd Schwaab and Xin Zhang)

61 - Christian Conrad, On the Economic Determinants of Optimal Stock-Bond Portfolios: International Evidence (with Karin Stürmer)

64 - Jerchern Lin, Beyond Manipulation: Extreme Risk and the Smart Money Effect

SESSION 3 (Parallel) - Locations

1:45-3:45 pm

Parallel Session 3A: CRYPTOS, MINING and SENTIMENT SURPRISES

Organizer: Wolfgang Karl Härdle, HU Berlin

Chair: Wolfgang Karl Härdle, Humboldt University of Berlin and CASE

236 - Ying Chen, A Sparse Network Autoregressive Model for Cryptocurrencies (with Wolfgang Karl Härdle, Simon Trimborn and Jiejie Zhang)

237 - Cathy Chen, Textual Sentiment, Option Information and Stock Predictability (with Yanchu Liu)

238 - Paola Cerchiello, Assessing News Contagion in Finance (with Giancarlo Nicola)

239 – Juri Marcucci, Twitter Sentiment and Banks' Equities: Is there any Causal Link? (with Giuseppe Bruno, Paola Cerchiello and Giancarlo Nicola)

1:45-3:45 pm

Parallel Session 3B: CREDIT and INTEREST

Chair: David S. Bates, Henry B. Tippie College of Business, University of Iowa

2 - Gerardo Manzo, Credit-Implied Volatility (with Bryan Kelly and Diogo Palhares)

16 - Fulvio Pegoraro, Affine Modelling of Credit Risk, Pricing of Credit Events and Contagion (with Alain Monfort, Jean-Paul Renne and Guillaume Roussellet)

228 - Jing Cynthia Wu, Time Varying Lower Bound of Interest Rates in Europe (with Fan Dora Xia)

50 - Bernd Schwaab, Bank Business Models at Zero Interest Rates (with André Lucas and Julia Schaumburg)

1:45-3:45 pm

Parallel Session 3C: HIGH FREQUENCY

Chair: Charlotte Christiansen, Aarhus University

161 - Fulvio Corsi, Hidden Leaders: Identifying High-Frequency Lead-Lag Structures in a Multivariate Price Formation Framework (with Giuseppe Buccheri and Stefano Peluso)

87 - Richard Y. Chen, Model-Free Approaches to Discern Non-Stationary Microstructure Noise and Time-Varying Liquidity in High-Frequency Data (with Per A. Mykland)

91 - Wei Wei, A Stochastic Price Duration Model for Estimating High-Frequency Volatility (with Denis Pelletier)

97 - Giuseppe Buccheri, A Score-Driven Conditional Correlation Model for Noisy and Asynchronous Data: An Application to High-frequency Covariance Dynamics (with Giacomo Bormetti, Fulvio Corsi and Fabrizio Lillo)

1:45-3:45 pm

Parallel Session 3D: MACROECONOMICS, FINANCE, and RISKS

Chair: Simone Manganeli, European Central Bank

78 - Frank Kleibergen, Identification Robust Inference on Risk Premia of Mimicking Portfolios of Macroeconomic Factors (with Zhaoguo Zhan)

116 - Xuhui Pan, Oil Price Uncertainty and Real Economic Activities: Importance of Disentangling the Diffusive and Jump Components (with Sang Baum Kang and Jialin Zhao)

111 - Nancy R. Xu, Procyclicality of the Comovement between Dividend Growth and Consumption Growth

147 - Caio Almeida, High Frequency Tail Risk (with Kym Ardison and René Garcia)

SESSION 4 (Plenary) – Location

Chair: Viktor Todorov, Kellogg School of Management Northwestern University

4:00-5:45 pm

Panel Discussion on Financial Econometrics

Federico M. Bandi, *Johns Hopkins Carey Business School*

John Y. Campbell, *Harvard University*

Wayne Ferson, *USC Marshall School of Business*

Andrew Patton, *Duke University*

Moderator: Viktor Todorov, *Kellogg School of Management Northwestern University*

7:00 -9:00 pm

Gala Dinner – Kimmel Center

Robert Shiller, *Sterling Professor of Economics, Yale University*

"TBD"

Thursday - June 22, 2017

8:30-9:00 am Registration/Coffee

SESSION 5 (Plenary) – Location

Chair: Jing Cynthia Wu, *University of Chicago and NBER*

9:00-10:00 am *Invited Lecture*

Campbell R. Harvey, *Duke University Fuqua School of Business*

"TBD"

10:00-10:15 am Refreshment Break

SESSION 6 (Parallel) - Locations

10:15-12:15 pm **Parallel Session 6A: HIGH DIMENSIONS**

Chair: *A Ronald Gallant, Pennsylvania State University*

76 - Viktor Todorov, Unified Inference for Nonlinear Factor Models from Panels with Fixed and Large Time Span (with Torben G. Andersen, Nicola Fusari and Rasmus T. Varneskov)

13 - Xu Han, Estimation and Inference of Structural Changes in High Dimensional Factor Models (with Jushan Bai and Yutang Shi)

144 - Yingying Li, High Dimensional Minimum Variance Portfolio under Factor Model (with Yi Ding and Xinghua Zheng)

146 - Serge Nyawa, High-Dimensional Multivariate Realized Volatility Estimation (with Tim Bollerslev and Nour Meddahi)

10:15-12:05 pm **Parallel Session 6B: NETWORKS**

Chair: *Roxana Halbleib, University of Konstanz*

24 - Rama Cont, Fire Sales, Indirect Contagion and Systemic Stress-Testing (with Eric Schaanning)

231 - Mardi Dungey, Signed Spillover Effects building on Historical Decompositions (with John Harvey, Pierre Siklos, and Vladimir Volkov)

230 - Robin L. Lumsdaine, The Complexity of Bank Holding Companies: A Topological Approach (with Mark D. Flood, Dror Y. Kenett, and Jonathan K. Simon)

132 - Vladimir Volkov, A Semi-Parametric Point Process Model of the Interactions between Equity Markets (with Adam Clements, Stan Hurn and Kenneth Lindsay)

10:15-12:05 pm **Parallel Session 6C: TIME SERIES MODELS**

Chair: *Enrique Sentana, CEMFI*

70 - Leopoldo Catania, Dynamic Adaptive Mixture Models

81 - Zhengjun Zhang, Semi-parametric Dynamic Max-copula Model for Multivariate Time Series (with Zifeng Zhao)

189 - Peter Exterkate, A Regime-Switching Stochastic Volatility Model for Forecasting Electricity Prices (with Oskar Knapik)

101 - Takaki Hayashi, Wavelet-Based Methods for High-Frequency Lead-Lag Analysis (with Yuta Koike)

10:15-12:05 pm **Parallel Session 6D: QUANTILES**

Chair: *TBD*

25 - Weining Wang, Network Quantile Autoregression (with Wolfgang Karl Härdle, Hangsheng Wang and Xuening Zhu)

96 - Jozef Baruník, Quantile Coherency: A General Measure of Dependence between Economic Variables (with Tobias Kley)

163 - Sander Barendse, Interquantile Expectation Regression

183 - Martin Thyrsgaard, The Realized Empirical Distribution Function of Volatility (with Kim Christensen, and Bezirgen Veliyev)

12:15-1:45 pm

Lunch – Location

Poster Session 2 – Location

12:15-1:45 pm

Poster Session 2

79 - Jantje Sönksen, Empirical Asset Pricing with Multi-Period Disasters and Partial Government Defaults

82 - Wenying Yao, High-Dimensional Predictive Regression in the presence of Cointegration (with Heather Anderson, Bonsoo Koo and Myung Hwan Seo)

83 - Anmar Al Wakil, The Smart Vega Factor-Based Investing: Disentangling Risk Premia from Implied Volatility Smirk

84 - Aleksey Kolokolov, Estimating Jump Activity using Multipower Variation

130 - Yuta Koike, Capturing Heterogeneous Lead-Lag relationships from Ultra High Frequency Data

SESSION 7 (Parallel) - Locations

1:45-3:45 pm

Parallel Session 7A: ECONOMETRICS and STATISTICS

Chair: TBD

233 - A Ronald Gallant, Exact Bayesian Moment Based Inference for the Distribution of the Small-Time Movements of an Ito Semimartingale (with George Tauchen)

80 - Anthony Sanford, Recovery Theorem with a Multivariate Markov Chain

71 - Xinghua Zheng, On the Inference about the Spectral Distribution of High-Dimensional Covariance Matrix Based on High-Frequency Noisy Observations (with Ningning Xia)

98 - Enrique Sentana, Consistent non-Gaussian pseudo maximum likelihood estimators (with Gabriele Fiorentini)

1:45-3:45 pm

Parallel Session 7B: ASSET PRICING

Chair: TBD

162 - Wayne E. Ferson, Holdings-based Fund Performance Measures: Estimation and Inference (with Junbo L. Wang)

171 - Fabio Trojani, Make SDFs Great Again (with Mirela Sandulescu and Andrea Vedolin)

235 - Veronika Czellar, Limited Participation in the Joint Behavior of Asset Prices and Individual Consumptions (with René Garcia and Francois Le Grand)

232 - Markus Pelger, Estimating Asset Pricing Factors from Large-Dimensional Panel Data (with Martin Lettau)

1:45-3:45 pm

Parallel Session 7C: LARGE SCALE MODELS

Chair: TBD

188 - Nikolaus Hautsch, Large-Scale Portfolio Allocation Under Transaction Costs and Model Uncertainty: Adaptive Mixing of High- and Low-Frequency Information (with Stefan Voigt)

187 - Kamil Yilmaz, Measuring Dynamic Connectedness with Large Bayesian VAR Models (with Dimitris Korobilis)

153 - Geert Mesters, Detecting Granular Time Series in Large Panels (with Christian Brownlees)

234 - Roxana Halbleib, A Latent Factor Model for Realized Volatilities (with Giorgio Calzolari and Aygul Zagidullina)

1:45-3:45 pm

Parallel Session 7D: YIELDS

Chair: TBD

86 - PRESENTER TBA, Term Spreads, Macroeconomic Fundamentals, and Bond Excess Returns Predictability (with Daniel Preve and Giorgio Valente)

107 - Michel Van der Wel, What Drives the Yield Curve? (with Dennis Kristensen and Oliver Linton)

193 - Martin M. Andreasen, Term Structure Modeling with Big Data (with Jens H. E. Christensen and Glenn D. Rudebusch)

3:45-4:00 pm Refreshment Break

SESSION 8 (Plenary) – Location

Chair: Francis X. Diebold, University of Pennsylvania

4:00-5:30 pm **Systemic Risk**

Robert F. Engle, NYU Stern School of Business – Speaker

Eric Ghysels, UNC Kenan-Flagler Business School - Speaker

Tobias Adrian, IMF – commentator

Richard Sylla, NYU Stern School of Business – commentator

SESSION 9 (Plenary) – Location

5:30-6:15 pm **SoFiE Members Meeting**

7:00-10:00 pm SoFiE Council Members Meeting & Dinner

Friday - June 23, 2017

8:30-9:00 am Registration/Coffee

SESSION 10 (Plenary) – Location

Chair: Andrew Patton, Federico M. Bandi

Discussants: Lars Peter Hansen, Sydney C. Ludvigson

9:00-10:00 am **Halbert White Jr. Memorial JFEC Invited Lecture**

Eric Renault, C.V. Starr Professor of Commerce, Organizations and Entrepreneurship, Professor of Economics, *Brown University*

“TBD”

10:00-10:15 am Refreshment Break

SESSION 11 (Parallel) - Locations

10:15-12:15 pm **Parallel Session 11A: PREDICTION**

Chair: Michael Rockinger, HEC, University of Lausanne

95 - Rogier Quaadvlieg, Modeling and Forecasting (Un)Reliable Realized Covariances for More Reliable Financial Decisions (with Tim Bollerslev and Andrew J. Patton)

208 - Yinchu Zhu, Monitoring Forecasting Performance (with Allan Timmermann)

226 - Heather Anderson, Predicting Immediate Price Impact: Does Market Depth Information Help? (with Manh Cuong Pham, Huu Nhan Duong, and Paul Lajbcygier)

93 - Eric Jondeau, Predicting Long-Term Financial Returns: VAR vs. DSGE Model – A Horse-Race (with Michael Rockinger)

10:15-12:15 pm **Parallel Session 11B: RISK and VOLATILITY**

Chair: TBD

229 - Ilze Kalnina, Time-Varying Risk Premium in the Presence of Spurious Factors (with Marius Pondi)

186 - Luiz K. Hotta, Equity Premium Prediction by Sparse Pooling of Parsimonious State-Dependent Models (with Daniel de Almeida and Ana-Maria Fuertes)

6 - Dacheng Xiu, Inference on Risk Premia in the Presence of Omitted Factors (with Stefano Giglio)

240 - Natalia Sizova, A Perturbation Approach to Nonlinear Filtering: The Case of Stochastic Volatility (with Ivana Komunjer)

10:15-12:15 pm **Parallel Session 11C: JUMPS**

Chair: TBD

142 - Roberto Renò, Jumps or Flatness? (with Aleksey Kolokolov)

33 - Ulrich Hounyo, Testing for Heteroscedasticity in Jumpy and Noisy High-Frequency Data: A Resampling Approach (with Kim Christensen and Mark Podolskij)

110 - Davide Pirino, Systematic Flatness (with Federico M. Bandi and Roberto Renò)

106 - Vitali Alexeev, Asymmetric Jump Beta Estimation with Implications for Portfolio Risk Management (with Giovanni Urga and Wenying Yao)

10:15-12:15 pm **Parallel Session 11D: PORTFOLIOS**

Chair: TBD

210 - Dobrislav Dobrev, The Impact of Waiting Times on Volatility Filtering and Dynamic Portfolio Allocation (with Nicholas Polson)

139 - Mengmeng Ao, Heteroscedasticity in Asset Returns and High-dimensional Portfolio Selection (with Yingying Li and Xinghua Zheng)

75 - Donggyu Kim, Robust High-dimensional Volatility Matrix Estimation for High-Frequency Factor Model (with Jianqing Fan)

35 - Mehmet Caner, A Relaxed Approach to Estimating Large Portfolios and Gross Exposure (with Esra Ulasan, Laurent Callot and A. Özlem Önder)

12:15-1:30 pm

Lunch – Location
Poster Session 3 – Location

12:15-1:30 pm

Poster Session 3

135 - PRESENTER TBA, Estimating the Integrated Parameter of the Time-Varying Parameter Self-Exciting Process (with Simon Clinet and Yoann Potiron)

152 - PRESENTER TBA, Estimation of the discontinuous leverage effect: evidence from the NASDAQ order book (with Markus Bibinger, Christopher Neely and Lars Winkelmann)

156 - Florian Ielpo, The Contribution of Jumps to Forecasting the Density of Returns (with Christophe Chorro and Benoit Sévi)

185 - Malte S. Kurz, Risk Estimation and Spurious Seasonality (with Stefan Mittnik)

115 - Robert Davies, Volatility Jump Regressions

SESSION 12 (Plenary) – Location

Chair: Robin L. Lumsdaine, Kogod School of Business, American University

1:45-2:45 pm

Invited Lecture

Lars Peter Hansen, *University of Chicago*

“TBD”

SESSION 13 (Parallel) - Locations

3:00-4:30 pm

Parallel Session 13A: TESTING

Chair: TBD

62 - Kim Christensen, The Drift Burst Hypothesis (with Roel Oomen and Roberto Renò)

102 - Yunus Emre Ergemen, Inference on Factor Models with Possible Long-Range Dependence

133 - Jinji Hao, A Model-Free Tail Index and Its Return Predictability

3:00-4:30 pm

Parallel Session 13B: RISK

Chair: TBD

109 - Federico M. Bandi, The Horizon of Systematic Risk: a New Beta Representation (with Andrea Tamoni)

157 - Mathieu Fournier, Beta Risk in the Cross-Section of Stocks and Options (with Ali Bolorforoosh, Peter Christoffersen, and Christian Gouriéroux)

148 - Jules Tinang, GMM estimation of the Long Run Risks model (with Nour Meddahi)

3:00-4:30 pm

Parallel Session 13C: METHODS

Chair: TBD

119 - Chen Huang, Multivariate Factorisable Expectile Regression with Application to fMRI Data (with Shih-Kang Chao and Wolfgang Karl Härdle)

182 - Siem Jan Koopman, Accelerating GARCH and Score-Driven Models: Optimality, Estimation and Forecasting (with Francisco Blasques and Paolo Gorgi)

94 - Christian M. Hafner, Estimation of a Multiplicative Covariance Structure in the Large Dimensional Case (with Oliver B. Linton and Haihan Tang)

4:30-4:45 pm

Refreshment Break

SESSION 14 (Plenary) – LT17

Chair: George Tauchen, Duke University

4:45-5:45 pm

Presidential Address / Closing Remarks

Ravi Jagannathan, President of SoFIE 2015-2017, Chicago Mercantile Exchange/John F. Sandner
Professor of Finance, *Northwestern-Kellogg*

We thank our sponsors, The Volatility Institute, The Salomon Center for the Study of Financial Institutions, and the NYU Stern Finance Department.