NYU STERN

NEW YORK UNIVERSITY · LEONARD N. STERN SCHOOL OF BUSINESS

VOLATILITY INSTITUTE

THE THIRD ANNUAL VOLATILITY INSTITUTE CONFERENCE AT NYU STERN SCHOOL OF BUSINESS

Long Term Volatility & Economic Fundamentals

Hosted by Robert F. Engle, Director of the Volatility Institute

April 8, 2011 | New York, NY

Location: 44 W. 4th St., KMC 2-60

Sponsored by

Deutsche Bank *and* NASDAQ OMX Educational Foundation *and* SoFiE

8:00am	**Registration:** Henry Kaufman Management Center (KMC) lobby and Continental Breakfast (KMC 2-60)
8:20-8:30am	**Welcome Remarks by Ingo Walter,** *Dean of the Faculty, NYU Stern School of Business*
8:30-9:10am	**GREAT MODERATION** Chair: Peter Hooper, *Deutsche Bank* **Vasco M. Carvalho,** *CREI and Universitat Pompeu Fabra, Barcelona* *(co-authored with Xavier Gabaix)* “The Great Diversification and its Undoing” Discussant: Aleksandar Kocic, *Deutsche Bank*
9:10-9:50am	**KEYNOTE SPEAKER** **Mark W. Watson,** *Princeton University* “Measuring Uncertainty About Long-Run Growth and Inflation”
9:50-11:10am	**SHORT RUN AND LONG RUN VOLATILITY** Chair: Lasse H. Pedersen, *NYU Stern School of Business* **José Gonzalo Rangel,** *Bank of Mexico* “The FX Comovements: Disentangling the Role of Market Factors, Carry-Trades and Idiosyncratic Components” Discussant: Anthony Lynch, *New York University, Stern School of Business* **Christian Dorion,** *HEC Montréal* “Business Conditions, Market Volatility and Option Prices” Discussant: George Tauchen, *Duke University*
11:10-11:30am	**Refreshment Break**

11:30-12:50pm	**VARIANCE RISK PREMIA** Chair: Marti Subrahmanyam, *NYU, Stern School of Business* **Hao Zhou,** *Federal Reserve Board* "Variance Risk Premia, Asset Predictability Puzzles, and Macroeconomic Uncertainty" Discussant: Turan G. Bali, *Baruch College, Zicklin School of Business* **Kris Jacobs,** *University of Houston, C.T. Bauer College of Business* *(co-authored with Peter Christoffersen and Steven Heston)* "A GARCH Option Model with Variance-Dependent Pricing Kernel" Discussant: Liuren Wu, *Baruch College, Zicklin School of Business*
1:00-2:15pm	**Lunch in the Barr-Kawamura Commons (KMC 5-50)** **Opening Remarks: Malcolm D. Knight,** *Deutsche Bank* **LUNCHEON SPEAKER** **Stephen Cecchetti,** *Head of Monetary and Economic Department at Bank for International Settlements* "Toward A Global Risk Map"
2:30-3:50pm	**DIVERSIFICATION AND TAIL RISK** Chair: Tony Hall, *University of Technology, Sydney* **Peter Christoffersen,** *University of Toronto, Rotman School of Management* *(co-authored with Vihang Errunza, Kris Jacobs, and Hugues Langlois)* "Is the Potential for International Diversification Disappearing"? Discussant: Robert Engle, *New York University, Stern School of Business* **Eric Ghysels,** *University of North Carolina, Chapel Hill* *(co-authored with Alberto Plazzi and Rossen Valkanov)* "Conditional Skewness of Stock Market Returns in Developed and Emerging Markets and its Economic Fundamentals" Discussant: Peter Reinhard Hansen, *Stanford University*
3:50-4:20pm	**WHAT'S NEW IN VLAB?** **Robert Engle,** *New York University, Stern School of Business*
4:20-4:50pm	**Refreshment Break**
4:50-6:00pm	**VOLATILITY OUTLOOK PANEL** **Moderator: Tobias Adrian,** *Federal Reserve Bank of New York* **Arthur Berd,** *BERD LLC.* **Paul Britton,** *Capstone Holdings Group LLC.* **Mustafa Chowdhury,** *Deutsche Bank* **Ken Kroner,** *BlackRock*
6:00pm	**Wine and Cheese Reception** **Located in the Commons (5-50)**

The Volatility Institute would like to thank their sponsors Deutsche Bank, Nasdaq OMX and SoFiE