



NEWSLETTER

No. 1

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Humboldt-Universität zu Berlin
Collaborative Research Center 649
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CURRENT EVENTS

More information can be found here:

http://sfb649.wiwi.hu-berlin.de/fedc/events_en.php

- 04.-06. January 2008 **Student – Workshop "Econ Boot Camp"**
Location: Spandauer Str. 1
Information at:
<http://sfb649.wiwi.hu-berlin.de/econbootcamp/>
- 24.-25. January 2008 **Distinguished Lecture Series 2008 (Nicole El Karoui)**
Location: Deutsche Bank
Unter den Linden 13/15
(Entrance Charlottenstraße)
10117 Berlin
Information at:
<http://www.case.hu-berlin.de/events/events/DLS2008/>
30. January 2008 **Jour fixe**
Location: Spandauer Str.1, Room 125
Time: 2 p.m. to 5 p.m.
Participants: members of the CRC 649

REGULAR RESEARCH SEMINARS

An overview is available at:

<http://sfb649.wiwi.hu-berlin.de/fedc/seminars.jsp>

QUANTITATIVE FINANCE SEMINAR

Location: Spandauer Str. 1, Room 203
Time: every Monday, 2 p.m.

07. January 2008 **Tansel Alp**
(Johann-Wolfgang-Goethe Universität Frankfurt)
"International Investment Positions and Exchange Rate
Dynamics: A Dynamic Panel Analysis"
14. January 2008 **Damir Filipovic**
(LMU München/TU Wien)
"Risk measures beyond bounded payoffs"
28. January 2008 **Albert Bemmour**
(ESSEC Paris)
tba

SCHUMPETER SEMINAR

Location: Spandauer Str. 1, Room 21A
 Time: every Tuesday, 4 p.m.

- 15. January 2008 **Ulf Michael Bergman**
 (University of Copenhagen)
 "Sectoral Real Exchange Rate Adjustments in Europe"
- 22. January 2008 **Ludger Linnemann**
 (Universität Bonn)
 tba

WIAS RESEARCH SEMINAR MATHEMATICAL STATISTICS

Location: Weierstrass Institute for Applied Analysis and
 Stochastics, Mohrenstraße 39, 10117 Berlin
 Erhard-Schmidt-Hörsaal
 Time: every Wednesday, 10 a.m.

- 09. January 2008 **Aurore Delaigle**
 (University of Bristol)
 "SIMEX selection of the smoothing parameter for
 nonparametric regression with errors-in-variables"
- 16. January 2008 **Martin Keller-Ressel**
 (Technische Universität Wien)
 "Affine processes and applications to stochastic volatility
 modelling"
- 23. January 2008 **Sylvia Frühwirth-Schnatter**
 (Johannes Kepler Universität Linz)
 "Model Selection Problems for Time Series – The Bayesian
 Approach"

REVIEW ABOUT CRC EVENTS

05. December 2007 Nobel Prize Lecture 2007

The Collaborative Research Centre 649 "Economic Risk" and the Society for Economics and Management at Humboldt-Universität zu Berlin invited to the public lecture "Nobel Prize Lecture 2007: Visions in Business – the Humboldt-Universität zu Berlin explains the ideas of the Nobel laureates Leonid Hurwicz, Eric Maskin and Roger Myerson".

Prof. Dr. Roland Strausz, Professor for Microeconomic Theory at HU, began the lecture with a presentation of the three Nobel laureates and their research to the mechanism-design theory. The theory formalizes the idea of Friedrich August von Hayek that the basic problem in an economy is the efficient use of information.

Prof. Strausz showed clearly that this mathematical theory has a significant economical relevance: the structure and success of the UMTS auctions can be analysed with it as well as regulations on energy markets.

Subsequent to the talk Prof. Roland Strausz, Dr. Lydia Mechtenberg (Institute of Microeconomics at TU) and Prof. Franz Hubert (Institute of Business Administration at HU) had a sofa discussion under the direction of Prof. Michael Burda (Institute of Economic Theory at HU) to describe the laureates works in details e.g. to what extent the results of the mechanism-design theory can be used to arrange the relugation of the Hartz 4 laws more efficient.



Prof. Michael Burda, Prof. Roland Strausz, Prof. Franz Hubert and Dr. Lydia Mechtenberg

07.-08. December 2007 Workshop on Copulae: Theory and Praticce

The workshop was jointly organized by the HU Berlin, WIAS and European University Viadrina, Frankfurt (Oder) and financed by SFB 649. Prof. Härdle (HU Berlin) gave the opening talk on "Qua de causa copulae me placent?" where he illustrated numerous potential fields of applications of copulae. The invited talk was given by Dr. Johanna Neslehova (ETH Zürich), who presented the joint paper with Prof. Christian Genest (University of Laval). Many researchers and practitioners obtained an opportunity to discuss ideas in a friendly environment and gave more than ten interesting talks. Among others we were pleased to welcome Prof. Friedrich Schmid (University of Cologne), Prof. Claudia Czado (University of München), Prof. Mark Tiede (University of Münster), Prof. Ray-Bing Chen (National University of Kaohsiung). Furthermore numerous participants from financial industry contributed with interesting discussions and stressed the importance of copulae for financial applications. We hope that the workshop stimulated many new theoretical and applied projects related to copulae.

NEWS OF THE PROJECTS

Jana Riedel (C2) presented a joint work with **Ralf Brüggemann (C2)** "Modeling Nonlinearities in Interest Rate Setting: The UK 1970:2006" at the Institute for Economic Research in Halle on 6. and 7. December 2007

Wolfgang Härdle (B1) organizes a section on econometrics and risk analysis on the "8. German Open Conference on Probability and Statistics" from 4. to 7. March 2008.

Yangguoyi Ou (B8) received a best paper award for his presentation "Yield curve factors, yield volatility and the predictability of bond excess returns" at the Macromodels 2007 Conference that took place in Warsaw from 5. to 8. December 2007.

Prof. Hautsch (B8) participated in the workshop "Multivariate Risk Management" from 10. to 11. December 2007 in Eindhoven where he gave a talk about "Point Process Models for High-Frequency Data".

Alexander Kriwoluzky (C1) did research work at the Swedish Riksbank in Stockholm from 10. to 15. December 2007 where he gave a lecture about "Optimal Policy under Model Uncertainty".

Albrecht Ritschl (C5) participated in the "ESF GlobalEuroNet Eurocommonfactor Workshop" from 13. to 14. December 2007 in Zurich where he gave a talk about "Did Monetary Forces Cause the Great Depression? A Bayesian VAR Analysis for the U.S. Economy".

Wolfgang Reichmuth (C5) and **Samad Sarferaz (C5)** participated in the "ESF GlobalEuroNet Eurocommonfactor Workshop" from 13. to 14. December 2007 in Zurich where they gave a talk about "Bayesian Stochastic Demographic Modeling and Forecasting".

Martin Uebele (C5) participated in the "ESF GlobalEuroNet Eurocommonfactor Workshop" from 13. to 14. December 2007 in Zurich where he gave a talk about "Comovement as an Argument for Market Integration".

NEWS OF THE FEDC

The Bloomberg System was presented and purchased in December and is now available.

Compustat and CRSP were re-purchased and are available for another year. In addition, the ECHP database is now available via web-interface.

GUESTS OF THE CRC 649

You find a summary about all guests under:

<http://sfb649.wiwi.hu-berlin.de/fedc/guests.jsp>

Current Guests of the CRC "Economic Risk":

30.10.2007-
31.03.2008

Fabian Lindner

Freie Universität Berlin

Project: Do Investment Banks Have a Bias in their Forecasting of Emerging Markets' Macroeconomic Variables?

Ziegelstr. 13a, room 607, phone 2093 1674



31.05.2007-
31.12.2008

Eduardo Ortiz Tanchez

University of Oxford

Project: Effekt der Wahl des Basiswertes auf den Preis von Wetterderivaten

Ziegelstr. 13a, room 601, phone 2093-1462



13.12.2007-
31.12.2008

Tobias Berg

TU München

Project: Terminal Value Estimation in Residual Income Models and an Application to the Estimation of the Market Risk Premium

Ziegelstr. 13a, room 607, phone 2093 1674



16.11.2007-
31.12.2007

Jan Philipp Weber
Freie Universität Berlin
Project: Macroeconomic determinants of real estate bubbles
Ziegelstr. 13a, room 601, phone 2093-1462



01.01.2006-
31.12.2008

Christoph Schneider
Universität Mannheim
Project: Corporate Finance / Corporate Governance
Phone 0621/181-1949



15.01.2008-
13.02.2008

Oliver Brümmer
European Business School Frankfurt
Project: Governing family enterprises and implications for performance – a financial perspective
Ziegelstr. 13a, room 607, phone 2093 1674



NEW DISCUSSION PAPER

You find all discussion paper under:
http://sfb649.wiwi.hu-berlin.de/fedc/discussionPapers_en.php

- 2007-064** **Enzo Weber**
"Correlation vs. Causality in Stock Market Comovement"
- 2007-065** **Dirk Temme, Marcel Paulssen, Till Dannewald**
"Integrating latent variables in discrete choice models – How higher-order values and attitudes determine consumer choice"
- 2007-066** **Luc Bauwens, Nikolaus Hautsch**
"Modelling Financial High Frequency Data Using Point Processes"
- 2007-067** **Denis Belomestny, Stanley Matthew, John Schoenmakers**
"A stochastic volatility Libor model and its robust calibration"

- 2007-068** **Ingolf Dittmann, Dorothea Kübler, Ernst Maug, Lydia Mechtenberg**
"Why Votes Have a Value"
- 2008-069** **Alexander Meyer-Gohde**
"Solving Linear Rational Expectations Models with Lagged Expectations Quickly and Easily"
- 2007-070** **Sebastian Braun, Nadja Dwenger, Dorothea Kübler**
"Telling the Truth May Not Pay Off: An Empirical Study of Centralised University Admissions in Germany"

CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Marek Svojik, staff member of the project B8 "Econometric Modeling of Liquidity Risks, Trade Risks, and Transaction Costs on Financial Markets" of Prof. Dr. Nikolaus Hautsch.

Marek Svojik is 27 years old and was born in Czech Republic. He graduated in mathematics at Charles University Prague and has a magister degree with a major in statistics. In September 2007, he composed his diploma thesis "*Application of Kalman Filtering*" supervised by Zdeněk Hlávka, Ph.D. Currently, Marek Svojik is a staff member of the project B8 at the Institute for Statistics and Econometrics.



Marek Svojik (project B8)

QUOTE OF THE MONTH

"Start by doing what is necessary,
then do what is possible, and suddenly
you are doing the impossible."

St. Francis of Assisi
(1182-1226)

We want to point out that the newsletter is published on the homepage of the CRC 649.

**The CRC 649 – Newsletter is published at the beginning of each month.
Editorial deadline for the second Newsletter 2008 is 31.01.2008.**