



# NEWSLETTER

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## CURRENT EVENTS

More information can be found here:  
[http://sfb649.wiwi.hu-berlin.de/fedc/events\\_en.php](http://sfb649.wiwi.hu-berlin.de/fedc/events_en.php)

**09-10 September 2008**    **Evaluation of the CRC 649 "Economic Risk"**  
Location: Humboldt-Universität zu Berlin,  
Wirtschaftswissenschaftliche Fakultät

## 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 21B  
Time:     every Monday, 2 p.m.

- 7 July 2008     **Martin Ruckes**  
(Universität Karlsruhe)  
"Informed Headquarters and the Allocation of Capital in Multi-Division Firms"
- 14 July 2008    **Helmut Herwartz**  
(Christian-Albrechts-Universität zu Kiel)  
"Explaining the Index Skew via Stochastic Correlation Models"

### SCHUMPETER SEMINAR

Location: Spandauer Str. 1, Room 203  
Time:     every Tuesday, 4 p.m.

- 1 July 2008     **Rafael Doménech**  
(University of Valencia and Economic Bureau of the Prime Minister, Madrid)  
"Price Rigidity and the Volatility of Vacancies and Unemployment"

### 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.

- 02 July 2008    **Alexander Meister**  
(Universität Ulm)  
"Statistical deconvolution problems with Fourier-oscillating error densities"

09 July 2008

**Angelika Rohde**

(WIAS)

"Sharp-optimal adjustment for multiple testing in the multivariate two-sample problem"

16 July 2008

**Qiwei Yao**

(London School of Economics)

"Modelling High Dimensional Daily Volatilities Based on High-Frequency Data"

## REVIEW ABOUT CRC EVENTS

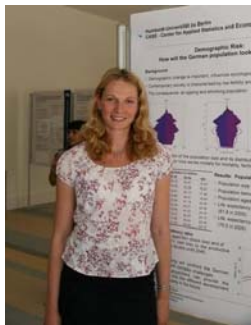
02 June 2008

### CASE Evaluation

In order to raise the profile of the interdisciplinary research center CASE (Center of Applied Statistics and Economics), an evaluation of its activities took place on 2 June 2008. The evaluation was held in the Faculty Chapel at the School of Business and Economics of the Humboldt-Universität. Prof. Künsch (ETH Zürich), Prof. Gather (TU Dortmund) and Herr Prof. Mittnik (LMU München), all of them experts in the scientific areas covered by CASE's research were the invited evaluators.



Prof. Spokoiny (B5)



Alena Mysickova (B1)

The event started with a welcome from Prof. Linscheid, Vice President of the HU for research, followed by an introduction to CASE's work by Prof. Härdle, the Director of CASE. Thereafter, several CASE research projects were presented by the respective research projects heads. The speakers were: Prof. Gassen (HU), Prof. Hautsch (HU), Prof. Werwatz (TU Berlin), Prof. Spokoiny (WIAS Berlin), Prof. Wickstöm (HU) and Prof. Spitz-Oener (HU). After the presentations, questions on the projects were asked and discussed.

After lunch, a poster session was held. All CASE research projects were represented in poster format. This was followed by a discussion round with the evaluators, representatives from CASE and the heads of the university on the future plans and goals of CASE, and how these goals could be realized. Thereafter, the evaluators withdrew to confer, in order to present the results of the evaluation.

At the end of the evaluation day, a small reception was held in the Chair of Statistics library attended by all CASE members and evaluators to celebrate the positive outcome of evaluation, so financial support will be granted until 2013.



14 June 2008

**Lange Nacht der Wissenschaften**

On 14 June the 8th Lange Nacht der Wissenschaften took place in Berlin where the CRC 649 could present the Robokeeper in collaboration with the Fraunhofer-Institut in Dortmund and the support of Wirtschaftswissenschaftliche Gesellschaft.

The RoboKeeper is a machine more reliable than any goal keeper in the Bundesliga and as fast as any Formula 1 racing car.

Two cameras recognize the complete ballistic curve of the ball and transmit its position to an image processing computer every 1/50 second. Based on the images from both cameras it defines the three-dimensional position of the ball. The data are then sent to the motor control driving a hightech aircraft gearbox which moves the RoboKeeper to the exact point of impact. This high-performance technology enables the keeper to hold any ball.

The CRC 649 wanted people trying to test the Robokeeper to rank their ability to score on a scale from 1 to 10 before shooting. Men often rated themselves better than women but they did not score more goals. One conclusion of the experiment was that men tend to overrate themselves. People were also asked about their portfolio. The result was that people who overrate themselves hold more risky portfolios which means e.g. more stocks and less funds.



There were also poster presentations of future and current projects of the CRC. Among others members of the future project A7 of Prof. Gassen presented research on the effect of investor sentiment caused by the German national football team on the German stock market and on the earnings management behavior of football clubs. The presentation of the new project B9 of Prof. Gründl was about the FIFA-Bond and how it could help the FIFA to insure against financial risks in case the world cup would be canceled. Members of the project B2 of Prof. Hildebrandt presented the results of a factor analysis about positioning of football teams and brands, and the Van Westendorp Model to calculate the willingness to pay for public viewing. The presentation of Prof. Burda's project C7 shows that in some countries the betting agencies offer odds depending on whether it is a home or foreign team.

## NEWS OF THE PROJECTS

**Dietmar Fehr (A6)** presented his paper "Information and Beliefs in a Repeated Normal-Form Game" (joint work with Dorothea Kübler and David Danz) at the North American Summer Meeting of the Econometric Society in Pittsburgh on 20 June.

**Dorothea Schäfer**, principal investigator of the future project A10 Nonparametric Modelling of Insolvency Risk for Banks and Non-financial Firms talked to Spiegel online about EZB's likely decision to increase the interest rate.

**Wolfgang Härdle (B1)** attended the inaugural conference of SoFiE (The Society for Financial Econometrics) at The Stern – Salomon School of Business, New York University from 4 to 6 June where he gave a talk about "The Dynamics of Risk Attitudes".

From 10 to 12 June he visited the Syiah Kuala University in Darussalam, Banda Aceh, Indonesia and gave a talk entitled "Dynamic Semi-Parametric Factor Modelling".

From 13 to 19 June he was at the Department of Statistics and Applied Probability at the National University of Singapore to work with former Humboldt colleague Ying Chen on "Adaptive Realised Volatility".

From 19 to 22 June he stayed at The School of Economics and Trade at Kyungpook National University, South Korea where he gave a talk on CO<sub>2</sub>-emissions at a workshop on climate change.

**Enzo Giacomini (B1) and Szymon Borak (B1)** are leaving the CRC. Starting 1 July Enzo Giacomini will be working for Deutsche Bank in Frankfurt and Szymon Borak for Deutsche Bank in London.

**Nadja Silberhorn (B2)** gave a talk about "Identifying Customer Segments Regarding Cross-Category Brand Loyalty Behavior" at the INFORMS Marketing Science Conference in Vancouver from 12 to 14 June.

**Henning Kreis and Lutz Hildebrandt (B2)** gave a talk on "Measuring the Dimensions of Corporate Reputation - Competition at the Corporate Level" at the Conference "Evolving Marketing Competition in the 21st Century" in Mainz from 24 to 25 June.

**Nikolaus Hautsch (B8)** gave a talk about "Yield Curve Factors, Yield Volatility, and the Predictability of Bond Excess Returns" at Tilburg University, Netherlands, on 9 June 2008.

He participated in the CFS Research Conference on "The Industrial Organisation of Securities Markets: Competition, Liquidity and Network Externalities" that took place in Frankfurt/Main from 13 to 14 June.

**Alexander Kriwoluzky (C1)** attended the European Workshop on Macroeconomics in Glasgow from 26 to 29 June and gave a talk about "Optimal Policy Under Model Uncertainty".

**Thorsten Vogel (C7)** attended the ESPE 2008 conference in London from 19 to 21 June and presented his paper "Self-employment rate of immigrants in the UK, the U.S. and Germany."

Invited by the "Interessenverband Deutscher Zeitarbeitsunternehmen (iGZ) e.V." **Michael Burda (C7)** gave a speech "Der Arbeitsmarkt im Wandel" on the iGZ-Bundeskongress in Hamburg on 4 June.

Michael Burda has participated at the second meeting to the project "The Impact of ICT's on Employment" in Brussels on 10 June. The research project is funded by the European Commission.

He gave a keynote presentation in the Plenary Session 2 "Labour Market and Productivity" at the EU KLEMS Final Conference on "The Drivers of Growth and Productivity in Europe: International Comparisons" in Groningen from 19 to 20 June.

Invited by the Croatian National Bank Prof. Burda has participated at their annual Economic Conference in Dubrovnik from 25 to 28 June and gave a talk.

**Andreas Hey (D)** is leaving the CRC. Starting 1 July he will be working for the Technische Universität Berlin.

## NEWS OF THE FEDC

The **KOSPI** and the **ECHP** data are now available.

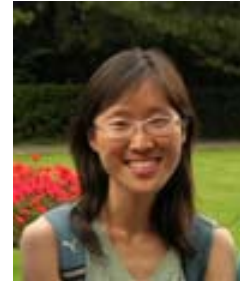
## GUESTS OF THE CRC 649

You find a summary about all guests under:  
<http://sfb649.wiwi.hu-berlin.de/fedc/guests.jsp>

### Current Guests of the CRC "Economic Risk":

20.07.2008-  
16.08.2008

**Juhyun Park**  
Lancaster University  
Project: Basis function approximation using  
variable selection  
Ziegelstr. 13a, room 601, phone 2093 1462



15.07.2008-  
01.08.2008

**Stefanie Brodmann**  
Princeton University  
Project: Labour Market Integration of  
Immigrants in Germany  
Spandauer Str. 1, room 330



02.06.2008-  
01.09.2008

**Felix Barth**  
Freie Universität Berlin  
Project: Entwicklung von Nachhaltigen  
Unternehmen auf dem Kapitalmarkt  
Ziegelstr. 13a, room 601, phone 2093 1462



02.06.2008-  
31.12.2008

**Irina Okhrin**  
Europa Universität Viadrina Frankfurt/Oder  
Project: Surveillance of the optimal portfolio  
composition  
Spandauer Str. 1, room 307, phone 2093-5602



20.05.2008-  
30.09.2008

**Katharina Jenderny**  
Freie Universität Berlin  
Project: Kapitaleinkommen deutscher Haushalte  
Ziegelstr. 13a, room 601, phone 2093 1462



01.05.2008-  
31.07.2008

**Alexander Joel Carbonell**  
European Business School (EBS)  
Project: Public Real Estate Investment Trusts (REIT): IPO Underpricing & its consequences for the G-REIT  
Ziegelstr. 13a, room 601, phone 2093 1462



01.05.2008-  
31.07.2008

**Julian Dragendorf**  
Freie Universität Berlin  
Project: Can Outsiders Gain Abnormal Profits by Mimicking Corporate Insider Trades? – Evidence from the German Stock Market  
Ziegelstr. 13a, room 607, phone 2093 1455



28.04.2008-  
28.07.2008

**Kai Schultheis**  
WHU Vallendar  
Project: Increased stock market volatility - a contradiction to the neoclassical model? An international comparison  
Ziegelstr. 13a, room 607, phone 2093 1455



15.04.2008-  
31.10.2008

**Wolodimir Perederij**  
Europa-Universität Viadrina Frankfurt (Oder)  
Project: quantitative Bilanzanalyse, insb. im Rahmen der Insolvenzprognose, insb. mittels multivariater Modelle  
Ziegelstr. 13a, room 601, phone 2093 1462





25.03.2008-  
30.09.2008

**Margarita Kalamova**  
Freie Universität Berlin  
Project: Sovereign risk and fiscal federalism



15.03.2008-  
15.07.2008

**Stefano Cascino**  
University of Naples Federico II  
Project: Accounting Harmonization pre and post IFRS; Impact of Conservatism on Debt Markets  
Spandauer Str. 1, room 113



13.12.2007-  
31.12.2008

**Tobias Berg**  
Technische Universität 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 1455



16.11.2007 -  
31.12.2008

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



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



01.01.2006 -  
31.12.2008

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



## NEW DISCUSSION PAPERS

You find all discussion papers under:

[http://sfb649.wiwi.hu-berlin.de/fedc/discussionPapers\\_en.php](http://sfb649.wiwi.hu-berlin.de/fedc/discussionPapers_en.php)

- 2008-039**      **Nicole Walter, Runli Xie**  
"Can Education Save Europe From High Unemployment?"
- 2008-042**      **Dirk Temme, Lutz Hildebrandt**  
"Gruppenvergleiche bei hypothetischen Konstrukten – Die Prüfung der Übereinstimmung von Messmodellen mit der Strukturgleichungsmethodik"
- 2008-043**      **Wolfgang Härdle, Ostap Okhrin, Yarema Okhrin**  
"Modeling Dependencies in Finance using Copulae"
- 2008-044**      **Wolfgang Härdle, Alena Mysickova**  
"Numerics of Implied Binomial Trees"
- 2008-045**      **Wolfgang Härdle, Nikolaus Hautsch, Uta Pigorsch**  
"Measuring and Modeling Risk Using High-Frequency Data"
- 2008-046**      **Marcus Wagner**  
"Links between sustainability-related innovation and sustainability management"

## CRC STAFF

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

From September 1997 to July 2002, Xiaofeng Liu was a student of industrial engineering at the Xi'an Jiaotong University. His bachelor thesis was "Analyzing the production process using Program Evaluation and Review Technique (PERT) and Critical Path Method (CPM) and providing specific improvement plans".

During an internship at Xi'an Aeronautical Engine (Corp) Co., from August to October 2000 he was confronted with working at different workshops, such as manufacturing, assembling, quality controlling or production planning.

After finishing his Bachelor he passed his Master in Management Science and Engineering at Xi'an Jiaotong University in July 2005 and his Master in Economics and Management Science at Humboldt-Universität zu Berlin in April 2008. Since May 2008 he is staff member of the project B8 of Prof. Hautsch. His current research focuses on modeling liquidity risk.



Xiaofeng Liu (B8)

## QUOTE OF THE MONTH

"A ship in harbour is safe, but that is not what ships are built for."

William Shedd  
(1820-1894)

Please also note that the newsletter is published on the homepage of the CRC 649.

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**The CRC 649 – Newsletter is published at the beginning of each month.  
Editorial deadline for the eighth Newsletter 2008 is 31.07.2008.**