



# *NEWSLETTER*

**No. 9**

7 September 2010

Humboldt-Universität zu Berlin  
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## REVIEW ABOUT CRC 649 EVENTS

19 July 2010

### Guest Lecture on "How to publish in a 'Good' Journal"

Prof. Daniel S. Hamermesh, Sue Killam Professor in the Foundations of Economics at the University of Texas at Austin, visited the Institute for Economic Theory II for a research stay from 18 to 31 July 2010 and held a lecture "How to publish in a 'Good' Journal" on 19 July 2010.

[http://www.youtube.com/view\\_play\\_list?p=58C439E26817903B&sort\\_field=title](http://www.youtube.com/view_play_list?p=58C439E26817903B&sort_field=title)

## 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)

14 – 17 September 2010

**Workshop Empirical Accounting Research**

6 – 8 October 2010

**Hermann Otto Hirschfeld Lecture / Workshop**

6 – 9 October 2010

**Quantile Regression Methods: Theory and Applications**

## NEWS OF THE CRC

**Song Song (B1)** successfully defended his doctoral thesis "Confidence Bands in Quantile Regression and Generalized Dynamic Semiparametric Factor Models" on 2 August 2010.

**Roman Timofeev (formerly B1)** defended his doctoral thesis "Statistical Aspects of Stock Picking and Risk-Averse Behaviour" on 27 August 2010.

Congratulations! We wish both of them all the best in the further pursuit of their careers.

**Helmut Gründl (B9)** accepted an offer of a professorship for insurance science, insurance supervision, and insurance regulation at Goethe-Universität Frankfurt. We sincerely regret that Prof. Gründl is leaving CRC 649, but wish him all possible success in his new position.

## NEWS OF THE PROJECTS

**Dirk Hofmann (A8)** gave the talk "Bilateral Search with Horizontal Heterogeneity" (joint with Salmal Qari) at the 10th World Congress of the Econometric Society from 17 to 21 August 2010 in Shanghai and at the 25th Congress of the European Economic Association from 23 to 26 August 2010 in Glasgow.

**Ulrich Horst (A11)** gave a mini-course on "Market Microstructure and Hidden Liquidity" at the Summer School on Mathematical Economics and Finance at the Chern Institute of Mathematics, Nankai University (2 – 3 August 2010). He also visited the Pacific Institute for the Mathematical Sciences in Vancouver 16 August to 1 September 2010 where he gave a talk on "Efficiency and Equilibria in Games of Optimal Derivative Design". Effective 1 September 2010, Ulrich Horst joins the Editorial Board of the SIAM Journal on Financial Mathematics.

**Tim Adam (A13)** gave a lecture on "The Use of Credit Default Swaps by U.S. Fixed-Income Mutual Funds", at Erasmus University Rotterdam on 17 August 2010. Furthermore, he was discussant of "Hedging Policies, Incentives and Market Power" by David de Angelis and S. Abraham Ravid, at EFA Meeting in Frankfurt/Main, 26 – 28 August 2010.

**Wolfgang Härdle (B1)** gave a talk on 16 August at Universität Zürich, Institut für Schweizer Bankwesen, on "Risk patterns and correlated brain activities" and a talk on "Pricing Temperature around the Globe" at "Prague Stochastics" on 20 August 2010.

**Song Song (B1)** presented his work "Partial Linear Quantile Regression and Bootstrap Confidence Bands" in the World Congress of Econometric Society 2010 from 17 to 21 August in Shanghai, together with the travel support from the Econometric Society.

**Weining Wang (B1)** gave a talk at "Prague Stochastics" on 31 August 2010, on "Localizing Temperature Risk."

**Thomas Post (B9)** presented the project "Stochastic Mortality, Subjective Survival Expectations, and Individual Saving Behavior" (joint with Katja Hanewald) at the 25th Annual Congress of the European Economic Association in Glasgow on 23 August 2010.

**Katja Hanewald (B9)** is a visiting researcher in the Department of Demography of the University of California in Berkeley.

**Ostap Okhrin (B10)** was a visiting researcher at the University of Augsburg from 16 to 23 August 2010, where he gave a talk about "Spatial copula-based models." He also gave a talk about "Branching Processes" at Lviv University during his research trip to Ukraine from 24 August to 5 September 2010.

**Michael C. Burda (C7)** participated on a roundtable discussion at the conference "Challenges ahead for economic policy in Sweden and Europe" in Gotland/Sweden on 5 July 2010. He presented the paper "Payroll Taxes, Social Insurance and

Business Cycle" (joint work with Mark Weder) at the "2010 Annual Meeting of the Society for Economic Dynamics" in Montreal/Kanada on 10 July 2010.

**Michael C. Burda (C7)** attended the 25th Meeting of the European Economic Association from 23 to 27 August 2010 in Glasgow and presented his paper "Payroll Taxes, Social Insurance and Business Cycles."

**Juliane Scheffel (C7)** presented her paper "Do Wage Differentials Compensate Enough? Compensating Wage Differentials and the Impact on Social Life" at the "25th Annual Congress of the European Economic Association" (23–26 August 2010) in Glasgow.

**Dorothee Schneider (C7)** presented her paper "The Impact of ICT Investments on the Relative Demand for High-, Medium-, and Low-Skilled Workers: Industry versus Country Analysis" at the "25th Annual Congress of the European Economic Association" (23 – 26 August 2010) in Glasgow.

**Runli Xie-Uebele (C7)** presented her paper "Consumption Growth and Inequality in a Heterogeneous Agent Model: Theory and Evidence from German Data" at the "25th Annual Congress of the European Economic Association" (23 – 26 August 2010) in Glasgow.

**Christian Basteck (C10)** presented a paper on "Characterising Equilibrium Selection in Global Games with Strategic Complementarities" (joint work with Tijmen Daniëls and Frank Heinemann) at the Econometric Society World Congress, 17 – 21 August 2010 in Shanghai.

**Sascha Becker (C14)** presented the paper "Inflation, Price Dispersion, and Market Integration through the Lens of a Monetary Search Model" (joint work with Dieter Nautz) at the 25th European Economic Association Congress in Glasgow from 23 to 26 August 2010.

**Stephanie Kremer (C14)** presented the paper "Herding of Institutional Traders" at the 25th European Economic Association Congress in Glasgow from 23 to 26 August 2010.

## GUESTS OF THE CRC 649

You find a summary about all guests here:  
[http://sfb649.wiwi.hu-berlin.de/fedc/guests\\_en.php](http://sfb649.wiwi.hu-berlin.de/fedc/guests_en.php)

### Current Guests of the CRC 649 "Economic Risk":

03.09.2010 -  
10.09.2010

**Steffen Blaschke**  
 Universität Hamburg  
 Project: Internationalisierungsstrategien von  
 Unternehmen in Hochrisikoländern  
 Ziegelstr. 13a, room 601, phone 2093 1462



26.08.2010 -  
31.12.2010

**Willi Semmler**

The New School for Social Research, N.Y., USA  
Project: Prof. Semmler's research interests lie in macroeconomics, financial markets, public finance, industrial organization, growth, climate change and resources  
Ziegelstr. 13a, room 602, phone 2093 1473



25.08.2010 -  
15.09.2010

**Alexander Bryan Matthies**

Christian-Albrechts-Universität zu Kiel  
Project: Determinanten von Ratings und Ratingänderungen  
Ziegelstr. 13a, room 607, phone 2093 1455



23.08.2010 -  
30.11.2010

**Till Sabel**

Universität Göttingen  
Project: high-frequency data, volatility, microstructure noise  
Rudower Chaussee 25, room 1.2.17



23.08.2010 -  
30.11.2010

**Johannes Schmidt-Hieber**

Universität Göttingen  
Project: high-frequency data, volatility, microstructure noise  
Rudower Chaussee 25, room 1.2.17



14.07.2010 -  
30.09.2010

**Thorben Lubnau**

European University Viadrina  
Project: Schätzung impliziter Erwartungen aus Optionspreisen mittels eines Capital Asset Pricing Model mit lognormalverteilten Preisen.  
Ziegelstr. 13a, room 607, phone 2093 1455



02.07.2010 -  
30.07.2011

**Alexander Vasa**

DIW – Berlin  
Project: Compare demand & supply of investment volumes across sectors and regions. Ultimate question : what policy instruments needed to facilitate finance needed for low carbon development?  
Ziegelstr. 13a, room 601, phone 2093 1462



21.06.2010 -  
31.12.2012

**Magdalena Tchikov**

Freie Universität Berlin

Project: Empirical analysis of CDS pricings;  
Consistency to prevalent pricing models  
Ziegelstr. 13a



21.06.2010 -  
30.11.2010

**Fabian Schmidt**

Freie Universität Berlin

Project: Reflektion von Operating-Leasing-  
verhältnissen auf Unternehmenskennzahlen  
und das Unternehmensrisiko  
Ziegelstr. 13a, room 607, phone: 2093 1455



08.03.2010 –  
01.03.2011

**Ralf Sabiwalsky**

Freie Universität Berlin

Project: Traditional CAPM valuation is based on  
the assumption of elliptically distributed asset  
returns and two-moment-preferences  
Ziegelstr. 13a, room 601, phone 2093 1462



15.02.2010 –  
31.12.2010

**Anastasia Kraft**

Freie Universität Berlin

Project: Regression model based on two  
methods, the factor approach and the  
constructive capitalization  
Ziegelstr. 13a, room 601, phone 2093 1462



08.02.2010 –  
29.10.2010

**Thomas Lagner**

Technische Universität Berlin

Project: The Influence of Credit Ratings on  
Corporate Strategy  
Ziegelstr. 13a, room 607, phone 2093 1455



26.10.2009 –  
29.10.2010

**Kai-Sören Schultheis**

Universität St. Gallen

Project: Explanatory Power of Implied  
Correlations in Equity Markets

Ziegelstr. 13a, room 601, phone 2093 1462



## 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)

- 2010-040**      **Thomas Post, Katja Hanewald**  
"Stochastic Mortality, Subjective Survival Expectations, and Individual Saving Behavior"
- 2010-041**      **Wolfgang Karl Härdle, Rainer Schulz, Weining Wang**  
"Prognose mit nichtparametrischen Verfahren"
- 2010-042**      **Michael C. Burda, Mark Weder**  
"Payroll Taxes, Social Insurance and Business Cycles"

## PUBLICATIONS

**Busch, U., Nautz, D. (2010)**

"Controllability and Persistence of Money Market Rates along the Yield Curve: Evidence from the Euro Area," German Economic Review, 11(3): 367-380.

## CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Kartik Anand, staff member of project C10 "Macroeconomic Consequences of Strategic Uncertainty."



Kartik Anand graduated with a Bachelors of Arts from the Johns Hopkins University with a major in Mathematics and a minor in Economics in 2004. He went on to pursue his Masters of Science at King's College, London in Neural Networks and Information Processing and stayed on at King's College for his PhD in Applied Mathematics, which was completed in 2009. The title of Kartik's thesis was Statistical Mechanics and Risk and focused on using techniques from the statistical mechanics toolbox towards risk modeling (eg, operational risks, market risks). During the PhD, Kartik

interned with the Systemic Risk Assessment Division at the Bank of England where he worked on the stability of interbank markets.

From March 2009 to August 2010, Kartik was a postdoctoral research fellow at the Abdus Salam International Centre for Theoretical Physics (UNESCO) in Trieste, Italy where he worked on network models for financial interactions and coordination. (KA)

## QUOTE OF THE MONTH

"Leadership is a potent combination of strategy and character. But if you must be without one, be without the strategy."

Norman Schwarzkopf (\*1934)

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 tenth Newsletter 2010 is 30.09.2010.**