COLLABORATIVE RESEARCH CENTER 649
"Economic Risk"

NEWSLETTER

No. 11

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Humboldt-Universität zu Berlin
Collaborative Research Center 649
Ziegelstraße 13a
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HUMBOLDT-UNIVERSITÄT ZU BERLIN

CURRENT EVENTS

More information can be found here:
http://sfb649.wiwi.hu-berlin.de/fedc/events_en.php

19 – 20 November 2010

Workshop Credit Rating Agencies and Certification

http://www.wiwi.hu-berlin.de/hgsb/conference2010

24 November 2010

Jour fixe fall

Location: Faculty of Business and Economics
Spandauer Str. 1, Room 125
Time: 4 p.m.
http://sfb649.wiwi.hu-berlin.de/fedc/events/Jour%20fixe_101124_Programm.pdf

26 – 27 November 2010

Macroeconometric Workshop

Location: German Institute for Economic Research (DIW), Mohrenstr. 58, 10117 Berlin
http://sfb649.wiwi.hu-berlin.de/fedc/events/DIW_Call_2010.pdf

8 December 2010

Nobel Prize Lecture 2010: How does the economy work?

Location: Faculty of Business and Economics
Spandauer Str. 1
Time: 5 p.m.

In this public lecture, members of CRC 649 explain the ideas of Nobel Prize laureates Peter A. Diamond, Dale T. Mortensen and Christopher A. Pissarides on "markets with search frictions".

REGULAR RESEARCH SEMINARS

An overview is available at:
http://sfb649.wiwi.hu-berlin.de/fedc/seminars.php

ECONOMIC RISK SEMINAR

Location: Spandauer Str. 1, room 23
Time: every Monday, 2 – 4 p.m.

1 November 2010 **Saša Žiković**
(University of Rijeka)
"Hybrid Historical Simulation VaR and ES"

15 November 2010 **Matthias Parey**
(University of Essex)
"Measuring the Price Responsiveness of Gasoline Demand"

SCHUMPETER SEMINAR

Location: Spandauer Str. 1, room 23
Time: every Tuesday, 4 – 6 p.m.

2 November 2010 **Giacomo Corneo**
(Freie Universität Berlin)
"Income concentration and its optimal taxation"

9 November 2010 **Jakob Madsen**
(Monash University)
"Barriers to Economic Growth: Parasitic Diseases, IQ and Economic Development"

16 November 2010 **Elisabeth Schulte**
(Universität Mannheim)
"Strategic Private Experimentation"

23 November 2010 **Lucia Esposito**
(Bank of Italy)
"Impatience and Coordination"

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.

10 November 2010 **Dmitry M. Malioutov**
(Massachusetts Institute of Technology, Boston University)
"Sparsity in signal processing, finance and machine learning"

17 November 2010 **Dominique Picard u. Gerard Kerkyacharian**
(Université Paris VII)
"Well localized frames, representation of function spaces, and heat kernel estimates"

REVIEW ABOUT CRC 649 EVENTS

6 – 9 October 2010 **Hermann Otto Hirschfeld Lecture Series and Workshop Quantile Regression Methods: Theory and Applications**


Roger Koenker, Wolfgang Härdle, Annette Vogt and Michael Burda

This year's Hermann-Otto-Hirschfeld Lecture Series at the Humboldt-Universität zu Berlin were held on October 7 and 8 by Roger Koenker, University of Illinois, entitled "Lectures on Quantile Regression". More than 80 German and international visitors attended his lectures. Roger Koenker's last talk served as the keynote address of a two day workshop on "Quantile Regression: Theory and Applications". 17 experts from this field, including Victor Chernozhukov, Joel Horowitz, and Andrew Chesher, presented their current research to an international audience of scientists. The Hermann-Otto-Hirschfeld lecture as well as the workshop were funded by the CRC 649, CASE and the Society of Economics and Management at the Humboldt-Universtität zu Berlin. (DS)


Participants of the Workshop

NEWS OF THE PROJECTS

Dorothea Kübler (A6) gave a talk entitled "Preference for Randomization: Empirical and Experimental Evidence" at the University of Innsbruck on 14 October 2010.

Joachim Gassen (A7) attended the 64. Deutscher Betriebswirtschaftlertag (DBT) in Düsseldorf on 29 September 2010. He gave an invited talk entitled "Welchen Gewinn hätten's denn gern? Das Financial Statement Presentation Projekt." On 4 October 2010, he, together with Martin Glaum (Universität Gießen) and Dirk Hachmeister (Universität Hohenheim), hosted a conference at Humboldt-Universität zu Berlin on the future of private accounting standard setting in Germany. On 20–21 October 2010, he attended the Management Committee Meeting of the European Accounting Association in Brussels.

Since 1 September 2010 until January 2011 **Tolga Davarcioglu (A7)** is a visiting scholar at Jönköping University (Sweden).

Alexandra Spitz-Oener (A9) gave a presentation entitled "The Impact of Immigration on Natives' Wages: Heterogeneity following from Product and Labor Market Regulation" at the Center for Economic Performance at the LSE, London, on 15 October 2010.

Ulrich Horst (A11) gave a plenary talk on "Equilibrium Pricing of Weather Derivatives" at the Energy Finance 2010 / INREC 2010 Conference (6–8 October 2010) in Essen. He also delivered the keynote lecture "Risiko und Risikowahrnehmung - Über Psychologie und Mathematik" at the "Security & Risk – The Challenge of Global Risk Management" conference that took place at Humboldt-Universität from 11 to 15 October 2010.

Hauke Heekeren (A12) has been elected member of the board of the Society for Neuroeconomics.

David N. Danz (A6), **Holger Gerhardt (A12)**, and **Hauke R. Heekeren (A12)** attended the Annual Meeting of the Society for Neuroeconomics from 15 to 17October 2010 in Evanston (USA). **Hauke Heekeren** gave an invited lecture in which he presented his project "How the brain integrates benefits and costs during decision making" (joint with Guido Biele [University of Oslo], Ulrike Basten, and Christian Büchel [both Goethe University Frankfurt]). **Holger Gerhardt** and **David Danz** presented their project "Social learning in asset markets: A peek into the herding brain" (joint with Guido Biele, Harald Uhlig [University of Chicago], Dorothea Kübler [A6], and Hauke Heekeren) in the poster session.

Tim Adam (A13) gave a seminar on “The Use of Credit Default Swaps by U.S. Fixed-Income Mutual Funds”at the Department of Finance at NTU, Singapore on 12 October 2010, at the Department of Finance at NUS, Singapore on 13 October 2010 and at WU Wien on 29 October 2010. He participated in the SFB TR15 Conference in Bonn with presentations on "Reputation and the Credit Rating Industry" and " Extracting the Expected Equity Risk Premium from Credit Spreads" (presented by Tobias Berg) on 21 October 2010.

Furthermore, Tim Adam received an offer for a professorship at Erasmus University Rotterdam.

Wolfgang Härdle (B1) gave a talk on "Time Varying Hierarchical Copula Modelling" at National Central University, Taiwan on 27 October 2010.

Barbara Choroś-Tomczyk (B1) is a visiting researcher in the Department of Operations Research and Financial Engineering at Princeton University from August to December 2010.

Mengmeng Guo (B1) gave a talk on "Adaptive Interest Rate Modelling" at G5 Capital Management, Taipei on 28 October 2010.

Brenda López Cabrera (B1) presented her paper "Localizing temperature risk" at the Energy Finance Conference / INREC 2010 – at the Lehrstuhl für Energiehandel und Finanzdienstleistungen, Universität Duisburg-Essen on 7 October 2010.

Invited by the Faculty of Mathematics of the University Duisburg-Essen, **Volker Krätschmer (B5)** gave a talk titled "Nichtparametrische Schätzung von verteilungsinvarianten Risikomaßen" on 19 September 2010.

Nikolaus Hautsch (B8) participated in the SoFiE-CREATES Conference "Measuring and Predicting Risk from Financial High-Frequency Data" that was held in Aarhus from 15 to 16 October 2010 and presented his paper "Forecasting Vast Dimensional Covariances Using a Dynamic Multi-Scale Realized Spectral Components Model" (joint work with Lada M. Kyj). Peter Malec, Tomas Polak and Julia Schaumburg also attended this conference.

Fuyu Yang (B8) participated in the Workshop "Robust Nonlinear Dynamic Optimization and Applications" at the Imperial College London on 19 October 2010.

Helmut Gründl (B9) started his new position in Johann Wolfgang Goethe-University Frankfurt am Main. He holds the Chair of Insurance, Supervision and Regulation and is the director of the International Center for Insurance Regulation.

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

Michael C. Burda (C7) participated in the workshop "Quantile Regression Methods: Theory and Applications" on 8–9 October 2010 at the Faculty of Economics and Management at Humboldt-Universität and gave a lecture "Unionization, Stochastic Dominance, and Compression of the Wage Distribution: Evidence from Germany." From 10 to 16 October 2010 he was on a research stay at the Copenhagen Business School and presented his paper "Unionization, Stochastic Dominance, and Compression of the Wage Distribution: Evidence from Germany" in a seminar at the Department of Economics on 11 October 2010. He attended an experts' meeting on "Stability of the financial markets" on 26 October 2010, the symposium "The price of the freedom" of the Society for Economics and Management at the Faculty of Economics and Management at Humboldt-Universität, and a discussion round of economists "Current Economic Challenges and Ideas" on 27 October 2010 in Berlin.

Michael C. Burda was the second reader of the Dissertation "Macroeconomics and Imperfect Information: Uniqueness and Calculation of Dynamic Equilibria" by Alexander Meyer-Gohde, M.Sc. The colloquium took place at Technische Universität Berlin on 1 October 2010.

Ostap Okhrin (B10) has accepted an offer to be an Associate Editor of Advances in Statistical Analysis (AStA), a Journal of the German Statistical Society.

Dieter Nautz (C14) gave a seminar on "The Expectations Management of Central Banks" at the Bank of Portugal in Lisbon on 25 October 2010.

GUESTS OF THE CRC 649

You find a summary about all guests here:
http://sfb649.wiwi.hu-berlin.de/fedc/guests_en.php

Current Guests of the CRC 649 "Economic Risk":

01.11.2010 – 31.05.2011

Piotr Tarka
University of Economics, Poznan
Project: Symbolic, binominal and ordinal data in multivariate analysis context, with applications in economic and social sciences
Ziegelstr. 13a, room still unknown

27.10.2010 – 04.11.2010

Peter Wnuk
University of Regensburg, Center of Finance
Project: Analysis of high-frequency data, Descriptive analysis, Applying an autoregressive conditional duration model, Applying jump-test.
Ziegelstr. 13a, room still unknown

19.10.2010 – 01.11.2010

Saša Žikovic
Faculty of Economics Rijeka
Project: Volatility Forecasting, Risk Management and Energy Economics.
Spandauer Str. 1, room 407

20.09.2010 –
01.10.2010

Claudia Czado
Technische Universität München
Project: Time Varying Paired Copula Construction

11.10.2010 –
17.12.2010

Jakub Bogdan
Berlin School of Economics and Law
Project: Credit default swaps and related instruments - applications and trading strategies
Ziegelstr. 13a, room 607, phone 2093 1455

23.08.2010 –
30.11.2010

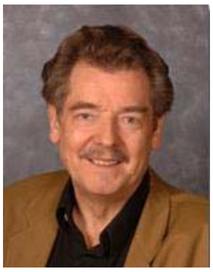
Till Sabel
Universität Göttingen
Project: high-frequency data, volatility, microstructure noise
Rudower Chaussee 25, room 1.2.17

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

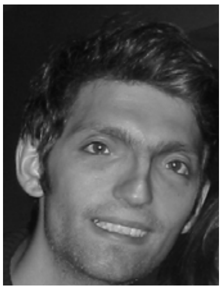
26.08.2010 –
31.12.2010

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



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

NEW DISCUSSION PAPERS

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

2010-046 **Stefano Cascino, Joachim Gassen**
"Mandatory IFRS adoption and accounting comparability"

2010-047 **Agnieszka Janek, Tino Kluge, Rafał Weron, Uwe Wystup**
"FX Smile in the Heston Model"

2010-048 **Krzysztof Burnecki, Joanna Janczura, Rafał Weron**
"Building Loss Models"

2010-049 **Szymon Borak, Adam Misiorek, Rafał Weron**
"Models for Heavy-tailed Asset Returns"

2010-050 **Vladimir Panov**
"Estimation of the signal subspace without estimation of the inverse covariance matrix"

2010-051 **Ralf Sabiwalsky**
"Executive Compensation Regulation and the Dynamics of the Pay-Performance Sensitivity"

2010-052 **Denis Belomestny, Volker Krätschmer**
Central limit theorems for law-invariant coherent risk measures

2010-053 **Wei Xu, Ostap Okhrin, Martin Odening, Ji Cao**
Systemic Weather Risk and Crop Insurance: The Case of China

PUBLICATIONS

Nautz, D. and U. Rondorf (2010)
"The (in)stability of money demand in the euro area: lessons from a cross-country analysis," forthcoming in Empirica.
DOI 10.1007/s10663-010-9139-y

Braun, S. (2010)
"Unionisation structures, productivity and firm performance: New insights from a heterogeneous firm model," Labour Economics.
DOI:10.1016/j.labeco.2010.08.004

Braun, S., N. Dwenger, and D. Kübler (2010)
"Telling the Truth May Not Pay Off: An Empirical Study of Centralized University Admissions in Germany," The B.E. Journal of Economic Analysis & Policy (Advances). Vol. 10(1), Article 22.
DOI: 10.2202/1935-1682.2294

CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Wenjuan Chen and Till Strohsal, staff member of project C14 "Expectations management of central banks."

Wenjuan Chen was born in Nantong, China. She completed her bachelor studies in Economics at Fudan University, Shanghai, and continued her master studies at

Humboldt University zu Berlin. Her master thesis is on the topic of "Fiscal Policy in an Estimated Dynamic Stochastic General Equilibrium Model." From 2008 to 2009 she participated in the research project C10 of SFB 649, "Macroeconomic Consequences of Strategic Uncertainty." In 2010 she has been visiting European University Institute in Florence, Italy. Her current research interests are applied time series analysis, especially on monetary policy and asset prices. Her working papers are "Structural Identification vs. Statistical Identification with Markov Switching," and "Analyzing the Components of Stock Prices from 1960 to 2008." At free time she enjoys cooking, hiking and travelling. (WC)

Till Strohsal was born in Berlin. He studied Economics at the Freie Universität Berlin and the Université Pierre Mendès France. During the last two years of his studies, from 2007 to 2009, he worked as a student teaching assistant for Prof. Jürgen Wolters and Prof. Dieter Nautz at the Institute for Statistics and Econometrics. He received his Diploma in August 2009. In his thesis he analyzed the persistence in US interest rate spreads. Before taking up the position as a research assistant at the Chair of Econometrics from Prof. Nautz he was working at the Universität Regensburg for Prof. Enzo Weber. His research interests lie in the fields of empirical time series and financial econometrics. (TS)

QUOTE OF THE MONTH

"The three great essentials to achieving anything worthwhile are; first, hard work, second, stick-to-it-iveness, and third, common sense."

Thomas Edison (1847 – 1931)

Please also note 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 twelfth Newsletter 2010 is 30.11.2010.