



NEWSLETTER

No. 12

6 December 2010

Humboldt-Universität zu Berlin
Collaborative Research Center 649
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10117 Berlin – Germany

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CURRENT EVENTS

More information can be found here:

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

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".

7 – 9 January 2010

Econ Boot Camp 2011

Location: Faculty of Business and Economics
Spandauer Str. 1

26 January 2011

Jour fixe

Location: Faculty of Business and Economics
Spandauer Str. 1

Time: 2 p.m.

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.

6 December 2010

Santiago Moreno-Bromberg

(Humboldt-Universität zu Berlin)

"Dynamic Pollution Regulation and Technological Adoption under Emission Permits"

13 December 2010

Philipp Sibbertsen

(Leibniz Universität Hannover)

"Identification problems in ESTAR models and a new model"

SCHUMPETER SEMINAR

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

- 7 December 2010 **Michael Reiter**
(Institut für höhere Studien Wien)
"House price fluctuations, wealth distribution and the
business cycle"
- 14 December 2010 **David Atkin**
(Yale University)
"Trade, Tastes and Nutrition in India"

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.

- 1 December 2010 **Pierre Alquier**
(Paris 7)
"PAC-Bayesian Bounds for Sparse Regression Estimation
with Exponential Weights"

NEWS OF THE CRC 649

Dr. Stefan Ried, alumni of the School of Business and Economics and of the SFB 649, has been a member of the research staff for German Council of Economic Experts since 2009. On November 10, he presented the key findings of the annual "Wise Men's" report, which was published on the very same day.

From 25 to 27 November 2010, the Institute of Marketing (B2) in cooperation with the Marketing Department of Technische Universität Berlin and Lademann & Associates organized the conference "Handelsforschung 2010" taking place at head office of the Metro Group and at Technische Universität Berlin. About 50 participants from Germany, Switzerland and Austria spent 3 days in Berlin to present and discuss current research projects in the area of retailing.

REVIEW ABOUT CRC 649 EVENTS

19 – 20 November 2010

Conference "Credit Rating Agencies and the Certification Process"

On the 19 and 20 November, the conference "Credit Rating Agencies and the Certification Process" was held at the Humboldt-Universität zu Berlin. The one and a half day conference included the presentation and active discussion of nine research papers and a key note lecture by Edward I. Altman, the Max L. Heine Professor of Finance at the Stern School of Business of New York University. The conference attracted an international audience of over 50 participants mainly from Europe and North America. The conference was sponsored by the collaborative research centers SFB-TR15 "Governance and the Efficiency of Economic Systems" and SFB649 "Economic Risk" and the Society for Economics and Management at the Humboldt University Berlin (WWG). KMPG acted as main corporate sponsor. The conference spawned lively debates about rating related research among its participants.



NEWS OF THE PROJECTS

Joachim Gassen (A7) gave an invited talk about "The Contracting Role of Income Smoothing: Evidence of European Private Firms" at the Economics of Management Seminar in Bern on 10 November 2010. He also gave this talk at Stockholm School of Economics on 12 November 12 and at the Volkswirtschaftliches Forschungsseminar in Osnabrück on 30 November.

Roland Strausz (A8) gave a talk about "Hierarchical Structures and Dynamic Incentives" at the Johann Wolfgang Goethe-Universität Frankfurt on 3 November 2010. Further, he gave a talk about "Certification & Patents" at a Workshop on Patents at the School of Economics in Toulouse from 10 to 11 November 2010.

Santiago Moreno (A11) gave a talk about "Efficiency in Risk Minimization Games of Optimal Derivative Design" at the UECE Lisbon Meetings 2010: Game Theory and Applications, on 5 November 2010.

Wolfgang Härdle (B1) gave a talk about "Local Temperature Risk" at the National Sun Yat Sen University Kaohsiung, Taiwan on 11 November 2010. On 18 November 2010, Prof. Härdle gave a talk about "Estimation of Pricing Kernels via Series Methods" at the National Chia Tong University Hsinchu, Taiwan. Further he gave a talk about "How to tame CDOs" at the Tamkang University Danshui, Taiwan on 19 November 2010. Finally, Prof. Härdle gave a talk about "local quantile regression" at the Tamkang University Danshui, Taiwan on 30 November 2010.

Mengmeng Guo (B1) gave a talk about "Adaptive Interest Rate Modelling" at the National Sun Yat Sen University Kaohsiung, Taiwan on 11 November 2010. On 18 November 2010, she gave a talk entitled "Expectiles and Quantiles" at the National Chia Tong University Hsinchu, Taiwan.

Song Song (B1) left the CRC 649 at the end of October and is now working at the Department of Statistics at the University of California, Berkeley, USA.

Nicole Wiebach (B2) gave a talk entitled "Context effects as Customer Reaction on Delisting of Brands" at the "Handelsforschung 2010" conference at Technische Universität Berlin on 26 November 2010.

Nikolaus Hautsch (B8) gave a talk about "Estimating and Predicting Vast Dimensional Covariances" at the Centre for research in econometric analysis of time series (CREATES) at the University of Aarhus on 4 November 2010.

Axel Groß-Klußmann (B8) gave a talk about "Using Automated Text Analytics to Quantify High Frequency News Impacts" at Thomson Reuters New York on 12 November 2010.

Katja Hanewald (B9) successfully defended her PhD-thesis "Mortality Risk: Driving Factors, Individuals' Perception, and Consequences for the Insurance Industry" on 26 November 2010.

Weining Wang (B10) gave a talk about "Local Quantile Regression" at the National Sun Yat Sen University Kaohsiung, Taiwan on 11 November 2010. On 18 November 2010, she gave a talk about "Local Temperature Risk" at the National Chia Tong University Hsinchu, Taiwan.

Michael C. Burda (C7) participated in the conference "After the financial crisis" organized by the Cologne Institute for Economic Research and the American Enterprise Institute and Council on Public Policy and take part on a panel discussion about "Capitalism in the Crisis? Bailouts, Competition, Moral Hazard" on 3 November 2010 in Berlin.

From 4-5 November he visited Prof. Bernd Fitzenberger at the University of Freiburg and worked with him on a shared research project by the German Research Foundation. He participated on a European-American Dialogue "Similar Structures – Common Challenges?" in Nonnweiler and hold a lecture "The current financial and economic crisis: common challenges, common solutions?" on 6 November 2010 and take part on a panel discussion "Rethinking US-Europe relations towards a partnership of equals across the Atlantic panel discussion" on 7 November 2010.

From September until November 2010 **Fang Yao (C7)** has completed a three months research stay at the United States of America, where he visited the Federal Reserve Bank of Richmond and New York. Fang Yao will leave the CRC 649 at the end of November. Starting from 1 December 2010 he is working on a post-doc position at the Institute of Economics of Prof. Christian Merkl at the Friedrich-Alexander Universität Erlangen-Nürnberg.

Dorothee Schneider (C7) presented her paper on "The Impact of ICT Investments on the Relative Demand for High-, Medium-, and Low-Skilled Workers: Industry versus Country Analysis" at the EBS Universität für Wirtschaft und Recht in Wiesbaden on 3 November 2010.

Patrick Bunk (C7) presented a paper on "Examining News Shocks in SVARs" at the Macroeconometric Workshop at the DIW Berlin from 26 to 27 November 2010.

Till Strohsal (C14) attended the DIW Macroeconometric Workshop in Berlin from 26 to 27 November 2010 and presented the paper "Mean-Variance Cointegration and the Expectations Hypothesis" (joint work with Enzo Weber).

Lars Winkelmann (C14) presented his paper "The Norges Bank's key rate projections and the news element of monetary policy: a wavelet based jump detection approach" at the DIW Macroeconometric Workshop in Berlin from 26 to 27 November 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":

20.12.2010 -
01.02.2011

Florentin Rahe

Universität Ulm

Project: Which deals with option-implied information and its application for risk management

Ziegelstr. 13a, room 607, phone 2093 1455



01.12.2010 -
31.05.2011

Friederike Hablitzel

Universität Bayreuth

Project: Pension accounting - Impact of a revised pension accounting model on financial statements of listed European companies.

Ziegelstr. 13a, room 607, phone 2093 1455



01.12.2010 -
31.03.2011

Julian Schumacher

Freie Universität Berlin

Project: Sovereign Debt and Crisis Management
in Areas of Limited Statehood: Bargaining vs.
Creditor Litigation



29.11.2010 -
31.03.2011

Stefanie Schmitz

Freie Universität Berlin

Project: Differences in the implementation of
auditing standards due to culture
Ziegelstr. 13a, room 601, phone 2093 1462



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



11.10.2010 -
31.05.2011

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



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



16.03.2010 -
31.12.2010

Neda Todorova

Freie Universität Berlin

Project: Schätzung impliziter Erwartungen aus
Optionspreisen mittels eines Capital Asset
Pricing Model mit lognormalverteilten Preisen
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

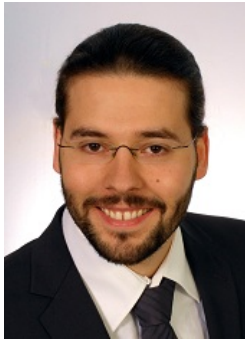
- 2010-054** **Franziska Schulze**
"Spatial Dependencies in German Matching Functions"
- 2010-055** **Nikolaus Hautsch, Peter Malec, Melanie Schienle**
"Capturing the Zero: A New Class of Zero-Augmented Distributions and Multiplicative Error Processes"
- 2010-056** **Nicole Wiebach, Lutz Hildebrandt**
"Context Effects as Customer Reaction on Delisting of Brands"
- 2010-057** **Runli Xie**
"Consumption Growth and Volatility with Consumption Externalities"
- 2010-058** **Sascha S. Becker, Dieter Nautz**
"Inflation, Price Dispersion and Market Integration through the Lens of a Monetary Search Model"

PUBLICATIONS

- Fuyu Yang and Roberto Leon-Gonzalez (2010)**
"Bayesian Estimation and Model Selection in the Generalized Stochastic Unit Root Model", Studies in Nonlinear Dynamics & Econometrics: Vol. 14: Iss. 4, Article 5.
DOI: 10.2202/1558-3708.1766

CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Gustav Haitz staff member of project B8 "Econometric Modeling of Liquidity Risks, Trading Risks, and Transaction Costs on Financial Markets" and Daniel Neuhoff, staff member of project C7 "Labor Markets, Technology and Macroeconomic Risk".



Gustav Haitz was born in Überlingen at Lake Constance, Germany. He studied economics with quantitative emphasis (Diplom) at Eberhard-Karls-Universität Tübingen and worked as student assistant at the Chair of Econometrics, Statistics and Empirical Economics of Prof. Joachim Grammig. In the academic year 2008-2009 he studied at CSU Los Angeles, USA. His diploma thesis investigated VaR performance and liquidity risk during the 2008 financial turmoil using high frequency data. Currently, he is working on several problems related to multivariate point processes. In his free time, he enjoys sports and the culture in Berlin. (GH)

Daniel Neuhoff graduated with a Diplom in Economics from the Humboldt-Universität zu Berlin in 2010. He worked as a student assistant at the Institute for Economic Theory II during his studies. Daniel joined the staff of Prof. Michael C. Burda, PhD. as a research and teaching assistant in October 2010 while also taking part in the Berlin Doctoral Program in Economics and Management Science.

Daniel Neuhoff wrote his Diplom thesis on unions, union excess coverage and free-riding in the context of union membership. This broad topic includes many questions which have not been answered satisfactorily and provide points of departure for future research including different areas and flavors of economics.

Outside university Daniel Neuhoff enjoys the cultural activities available in Berlin as well as playing the piano. He is also interested in natural sciences, politics and sports like horseback riding or skiing. (DH)



QUOTE OF THE MONTH

"Money frees you from doing things you dislike. Since I dislike doing nearly everything, money is handy."

Groucho Marx (1890-1977)

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 first Newsletter 2011 is 29.12.2010.**