



NEWSLETTER

No. 2

5 February 2010

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

11 - 14 February 2010 **Haindorf Seminar 2010**
Location: Haindorf, Czech Republic
Information: [Homepage](#)

REGULAR RESEARCH SEMINARS

An overview is available at:

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

SCHUMPETER SEMINAR

Location: Spandauer Str. 1, room 22
Time: every Tuesday, 4 p.m.

2 February 2010 **Antonella Trigari**
(Universita Bocconi)
"Unemployment Fiscal Multiplier"

9 February 2010 **Alexander Koch**
(Aarhus Universitet)
"Motivational Goal Bracketing"

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.

3 February 2010 **Peter Reinhard Hansen**
(Stanford University)
"Realized GARCH: A Complete Model of Returns and
Realized Measures of Volatility"

REVIEW ABOUT CRC 649 EVENTS

8 - 10 January 2010 **Econ Boot Camp 2010**

This year already marks the third year that the Humboldt-Universität zu Berlin - in cooperation with CRC 649 and the Society for Economics and Management at the Humboldt-Universität zu Berlin - has organized the three-day Econ Boot Camp Workshop for high school German students.



Prof. Burda starts the EBC 2010

The planning and organization for this year's Workshop was carried out by Professor Michael Burda and Polina Marchenko and, for the very first time, an Econ Boot Camp Group Facebook website was established to facilitate communication between current and former EBC participants.

About 80 students from every region of Germany applied to participate in the Workshop from which the best 28 were selected.

The preliminary introduction to the event included the assignment of topics by Professors from the Humboldt-Universität and the Technische Universität Berlin: Prof. Michael Burda, Prof. Nikolaus Hautsch, Prof. Joachim Gassen, Prof. Alexandra Spitz-Oener and Prof. Axel Werwatz. Then a random mechanism determined how the teams would be divided up. Each team of 5 to 6 participants was assigned a topic and was supervised by a scientific assistant. Each team was given a name of a famous economist which accorded to the topic assigned, these were: Heckmann, Solow, von Thünen, Black/Scholes and Pacioli.

Over the three days in Berlin, the students gained useful insights into modern applied economic research and also valuable knowledge of statistics software, for example, Gretl. Furthermore during the workshop the participants were provided with information about study programs and further education possibilities offered by the HU.

The cultural programme offered two excursions; the Federal Ministry of Finance and the Bundestag. During the visit to the Federal Ministry of Finance vivid and relevant discussions took place about modern financial policy in Germany, this revealed a deep maturity within the students.

On Sunday, 10 January, all the groups presented the results of their hard work in the Heilig-Geist-Kapelle.

The von Thünen Group scored the most points and was named as the winning team. The team members: Tim Schmitz (Nordrhein-Westfalen), Anna Golubeva (Niedersachsen), Johanna Förster (Nordrhein-Westfalen), Ekaterina Jussupow (Bayern), Christian Hagen (Brandenburg) and Christoph Röbling (Baden-Württemberg) were each presented with a certificate and a book to mark their achievements.



Group presentation on Sunday

It was generally agreed that this year's Econ Boot Camp lived up to last year's success and it was also noted that levels of awareness among the participants are rising each year. The Workshop has therefore developed into an important image-making event for the Humboldt-Universität zu Berlin.

The next Econ Boot Camp is planned for January 2011. (PM)

27 – 28 January 2010 **Workshop "Weather Derivates and Risks"**

The two-day workshop "Weather Derivatives and Risk", which was a joint project of the Center for Applied Statistics and Economics (C.A.S.E.), the Quantitative Products Laboratory of Deutsche Bank and the Collaborative Research Center 649: Economic Risk, took place on 27 January 2010. The workshop consisted of three presentations by key-note speakers and eleven contributed talks. Approximately half of the contributed talks dealt with theoretical problems and the other half with empirical applications. The background of the participants ranged from Economics and Agricultural Sciences to Mathematical Finance. This helped create an "interdisciplinary" environment.



Dr. Raushan Bokusheva

The venue of the event, which was jointly organized by the Department of Agricultural Economics, the Institute of Mathematics as well as the School of Business and Economics of Humboldt-Universität zu Berlin, was the Heilig-Geist-Kapelle in the building of the faculty of Business and Economics. Prof. Wolfgang Härdle gave the welcome speech; he was then followed by Brenda Lopez-Cabrera, who introduced the keynote speakers and presented the workshop's program.

The opening presentation was given by Dr. Olivier Guéant (Université Paris-Dauphine) who talked about the "Ecological Discount Rate and Precautionary Principle". On the morning of the workshop's second day, Prof. Barry Barnett (Mississippi State University) presented his work on the "Challenges with Developing Weather Index Insurance for Rural Areas of Lower Income Countries". The closing talk on the late afternoon was given by Prof. Fred Benth (University of Oslo) with the title "Modeling and Pricing of Weather Derivatives". The eleven contributed talks covered a wide array of topics, such as: design of weather derivatives, risk management, index-based weather insurance, and stochastic modeling of weather variables. (WX)

29 – 30 January 2010 **Distinguished Lecture Series: 200 Years of Finance and Statistics**



Prof. Härdle, Prof. Wickström

In the year when the Humboldt-Universität zu Berlin celebrates its 200^t Anniversary, the C.A.S.E. Distinguished Lecture Series: "200 Years of Finance and Statistics" attracted broad audience. It was held on 29 and 30 January 2010, with the main venue being the Heilig-Geist-Kapelle at the School of Business and Economics at the Humboldt-Universität zu Berlin.

After a few words of welcome by Professor Bengt-Arne Wickström, Professor Wolfgang Härdle opened the two-day symposium by formally renaming the Chair of Statistics, "Ladislaus von Bortkiewicz Chair of Statistics" in honour of his predecessor, Ladislaus von Bortkiewicz.

Following this ceremony Professor Härdle introduced Annette Vogt of the Max-Planck-Institute for the History of Science, Berlin whose presentation consisted of an account of Ladislaus von Bortkiewicz's life and a detailed look at the life and work of the mathematician Daniel Bernoulli.

For the remainder of the day and the following day the 80 strong participants had the pleasure to listen to presentations from six distinguished Professors, all Alexander-von-Humboldt-Stiftung / Foundation Research Prize winners, namely: Raymond Carroll (Texas A&M University), Francis Diebold (University of Pennsylvania), Jianqing Fan (Princeton University), Joel Horowitz (Northwestern University), Ya'acov Ritov (The Hebrew University of Jerusalem) and Stephen Stigler (University of Chicago).

Each talk was followed by a generous discussion, which quite often continued during the coffee and lunch breaks where lively debate on historical-financial-statistical issues could be heard. Two special social events were organised to complement the event. On the first day of the symposium, participants and invited speakers had a very pleasant evening together in a restaurant and finally, to close the event, a speaker's dinner took place on Saturday evening together with the organisers of the symposium. (AM, LH)

AWARDS

Tijmen Daniëls (C10) was awarded the Joop Hartog Prize for his Ph.D. thesis on 5 January 2010. It is given for the best PhD thesis at the Amsterdam School of Economics during the past two calendar years.

NEWS OF THE PROJECTS

Joachim Gassen (A7) gave a talk about "Investor Fear and Earnings Management: VIX-based Evidence" at the London Business School on 19 January 2010.

Timo Eisenschink (A7) attended the Seminar "Analytical Accounting" in Frankfurt from 25 to 28 January 2010.

Roland Strausz (A8) gave a talk about "The political economy of regulatory risk" at the Ifo / CESifo & OECD Conference on Regulation: Political Economy, Measurement and Effects on Performance (29.-30.1.2010) in Munich from 29 to 30 January 2010.

Ulrich Horst (A11) gave invited presentations on "Hidden Liquidity" at the conferences on "New Directions in Financial Mathematics" held at the Institute for Pure and Applied Mathematics, UCLA on 7 January 2010 and at the workshop on "Trends in Monitoring & Surveillance of Financial Markets" at the Center for Mathematical Modelling, Universidad de Chile on 18 January 2010.

Tim Adam (A13) presented his paper "Managerial Biases and Corporate Risk Management" at the AFA Conference in Atlanta on 3 January 2010.

The Proposal of **Wolfgang Härdle (B1)** for the RMI Credit Rating Research Grant was accepted by the Risk Management Institute in Singapore.

Wolfgang Härdle (B1), with the help of **Barbara Choroś** and **Elena Silyakova (B1)**, took his Statistics of Financial Markets 1 students to the Frankfurt am Main Stock Exchange (Deutsche Börse) for the annual visit on 18 January 2010. Also **Ostap Okhrin (B10)** participated in this trip.

Michael Burda (C7) gave a lecture on "Payroll Taxes and the Business Cycle" on 21 January 2010 in the staff seminar at the Institute for the World Economy in Kiel. Further he gave a talk on "The Global Economic Crisis: The End of Globalization?" on 24 January 2010 at the 52nd Tönnissteiner annual appraisal at the Harnack-House in Berlin.

Frank Heinemann (C 10) spent the week from 18 - 23 January 2010 in Lyon, visited the ENS, and gave an invited lecture on "Understanding Financial Crises: The Contribution of Experimental Economics" at the ADRES Doctoral Conference on 23 January 2010.

Tijmen Daniëls (C10) presented his paper "currency crises with an endogenous interest rate" at the Nijmegen School of Economics in the Netherlands on 5 January 2010. He participated in the Duisenberg School of Finance workshop for central bankers and regulators from 11 – 14 January 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":

22.02.2010 -
08.03.2010

Jürgen Bohrmann

Universität Ulm
Project: Cyclicity in corporate bond ratings,
Heuristics for explaining bond ratings
Ziegelstr. 13a, room 607, phone 2093 1455



18.02.2010 -
19.02.2010

Alexander Meister

Uni Rostock
Project: Nichtparametrische Statistik
Rudower Chaussee 25, Berlin-Adlershof



08.02.2010 -
31.03.2010

Nico Singer

Uni Rostock
Project: The cost of diversification
Ziegelstr. 13a, room 607, phone 2093 1455



08.02.2010 -
30.04.2010

Thomas Lagner

TU Berlin

Project: The Influence of Credit Ratings on
Corporate Strategy

Ziegelstr. 13a, room 607, phone 2093 1455



01.02.2010 –
28.03.2010

Florian Brodersen

Universität St. Gallen

Project: Corporate capital structure and
corporate restructuring following performance
declines

Ziegelstr. 13a, room 607, phone 2093 1455



25.01.2010 -
25.05.2010

Sven Bastian Kleine

FU Berlin

Project: Value Investing and Simple Value
Screens. A Descriptive Approach

Ziegelstr. 13a, room 601, phone 2093 1462



18.01.2010 -
16.04.2010

Puriya Abbassi

Johannes-Gutenberg Universität Mainz

Project: Central banking, implementation of
monetary policy, time series analysis

Ziegelstr. 13a, room 607, phone 2093 1455



07.12.2009 -
01.03.2010

Bauer, Florian

FU Berlin

Project: Effective Tax Rate - an Empirical
Analysis

Ziegelstr. 13a, room 601, phone 2093 1462



07.12.2009 -
01.03.2010

Dubber, Christoph

FU Berlin

Project: Effective Tax Rate - an Empirical Analysis

Ziegelstr. 13a, room 601, phone 2093 1462



15.11.2009 -
12.02.2010

Martin Schmidt

FHTW Berlin

Project: Directors' Dealings am deutschen Kapitalmarkt - Eine empirische Ereignisstudie zu Performance-Effekten von meldepflichtigen Wertpapiertransaktionen nach § 15 WpHG

Ziegelstr. 13a, room 607, phone 2093 1455



09.11.2009-
31.05.2010

Robert Mülhaupt

Universität Potsdam

Project: The impact of financial news on stock prices/FX prices Project for the German-Russian PdD seminar: What drove stock prices during the financial crisis?

Ziegelstr. 13a, room 601, phone 2093 1462



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



12.10.2009 -
30.06.2010

Maximilian Kuhn

Freie Universität Berlin

Project: Energy Markets Research, "Was treibt den Ölpreis?"

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

- 2010-004** **Nikolaus Hautsch, Fuyu Yang**
"Bayesian Inference in a Stochastic Volatility Nelson-Siegel Model"
- 2010-005** **Nikolaus Hautsch, Dieter Hess, David Veredas**
"The Impact of Macroeconomic News on Quote Adjustments, Noise, and Informational Volatility"
- 2010-006** **Fuyu Yang, Roberto Leon-Gonzalez**
"Bayesian Estimation and Model Selection in the Generalised Stochastic Unit Root Model"
- 2010-007** **Erik R. Fasten, Dirk Hofmann**
"Two-sided Certification: The market for Rating Agencies"
- 2010-008** **Christian Basteck, Tijmen R. Daniëls, Frank Heinemann**
"Characterising Equilibrium Selection in Global Games with Strategic Complementarities"

CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Esra Akdeniz Duran and Lasse Groth, both staff members of the project B1 "Dynamic Semi-parametric Modeling" headed by Prof. Wolfgang Härdle.



Esra Akdeniz Duran was born in Ankara, Turkey. She graduated with a Bachelor of Science in Statistics at Middle East Technical University, Ankara, Turkey in 2002. Afterwards, she received her Masters in Statistics at Pennsylvania State University, USA in 2005. She started her PhD at Gazi University, Ankara in 2006 and during her studies she worked as a teaching assistant. Her thesis "Multicollinearity in Regression Models: Parametric and Semiparametric Approach" deals with shrinkage estimators as a cure for multicollinearity problem in regression models. During her PhD studies she obtained the Jean Monnet scholarship and since October 2009, Esra is a Jean Monnet scholarship fellow at the Ladislaus von Bortkiewicz Chair of Statistics. Her research mainly focuses on expectile regression. Further, she enjoys travelling, reading and meeting friends.

Lasse Groth was born in the southern German city of Ulm and moved to Berlin at an early age. He studied business administration and management at the European University Viadrina in Frankfurt (Oder), the Humboldt-Universität zu Berlin and at the ESCP in Paris. Majoring in finance, accounting and statistics, he received his diploma degree from the Humboldt-Universität in May 2009 with a thesis on "Models for Interest Rates and Interest Rate Derivatives". During his studies he completed two internships at ABN AMRO in Frankfurt, working in the structured equity and fixed income products department.



He joined the Ladislaus von Bortkiewicz Chair of Statistics as a research assistant in July 2009, working primarily on the Quantnet database. Recently he has also focused on local adaptive interest rate modelling. In his spare time Lasse enjoys running, soccer and operas.

QUOTE OF THE MONTH

"The human brain starts working the moment you are born and never stops until you stand up to speak in public. "

George Jessel
(1898 - 1981)

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 third Newsletter 2010 is 28.02.2010.**