



NEWSLETTER

No. 2

7 February 2011

Humboldt-Universität zu Berlin
Collaborative Research Center 649
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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.

7 Februar 2011

Ronnie Sircar

(Princeton University)

"Stochastic Differential Games and Applications to Energy and Consumer Goods Markets"

SCHUMPETER SEMINAR

Location: Spandauer Str. 1, room 23

Time: every Tuesday, 4 – 6 p.m.

1 February 2011

Meri Obstbaum

(Aalto University School of Economics, Helsinki)

"The Role of Labour Markets for Fiscal Policy Transmission"

8 February 2011

Laura Hartman

(Centre for Business and Policy Studies Stockholm)

"Are doctor's certificates worthwhile? Evidence from a social experiment"

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.

2 February 2011

Mathieu Rosenbaum

(CREST, Paris)

"Asymptotic results for time-changed Lévy processes sampled at hitting times"

9 February 2011

Florian Gach

(University of Cambridge)

"Efficiency in Indirect Inference"

REVIEW ABOUT CRC 649 EVENTS

7 to 9 January 2011

Econ Boot Camp 2011

This year the 4th Econ Boot Camp was held from 7 to 9 January 2011. It was organized by the CRC 649 and sponsored by the Society for Economics and Management at the Humboldt-Universität zu Berlin and the Bürgschaftsbank Brandenburg. The Econ Boot Camp is a three-day workshop for 30 high-school students from all over Germany who got the opportunity to get to know the world of economics and statistics.

The first day started with an introduction to statistics, presented by Maike Burda. Afterwards five professors gave insights into various themes like economic growth (Prof. Michael Burda), labor economics (Prof. Alexandra Spitz-Oener), financial markets (Prof. Nikolaus Hautsch), accounting & capital markets (Prof. Joachim Gassen) and real estate industry (Prof. Axel Werwatz).

After a lot of new information in the morning, our students got the chance to find out more about the Humboldt-Universität. Taking part in a guided tour they learned a lot about the history of the university and many other interesting facts.

Then Prof. Axel Werwatz divided the participants into 5 different groups, according to the five topics presented by the lecturers. Each group got statistical data and a question that needed to be solved. Supported by scientific assistants the students worked all day Saturday on their presentations.

On Sunday all students presented their findings to a jury, which consisted of Prof. Ulrich Rendtel (TU), Dr. Carsten Kreklau (BDI) and Dr. Milos Stefanovic (Bürgschaftsbank Brandenburg). After five excellent presentations the jury decided that the real estate industry group had convinced them the most. The six group members Christel Füllenbach, Andre Schmidt, Ruben Will, Jan Biermann, Johanna von Pezold and Anne König each won a book and received a winner's certificate.

After the presentation ceremony the day was topped off by an excursion to the Bundestag. This guided tour explained the composition of Parliament and provided many information regarding the history and architecture of the Reichstag Building. The highlight was the visit to the dome of the building, which allowed the students a spectacular view over Berlin.

As in the past three years, this 4th Econ Boot Camp was very successful again. Although the students had to cope with a lot of new material, they all rose to the challenge very well, so that their presentations set high standards for the next year. The next Econ Boot Camp is planned for January 2012. (MH)



28-29 January 2011

C.A.S.E. Distinguished Lecture Series 2011

This year's C.A.S.E. Distinguished Lecture Series was dedicated to an up-to-date topic in today's statistical finance, namely "The Econometrics of High Frequency Financial Data". The conference was held on 28 and 29 January 2011, with the main venue being the Heilig-Geist-Kapelle at the School of Business and Economics at the Humboldt-Universität zu Berlin. The event was well visited on both days by up to 60 participants from all over the world, including Egypt, Estonia, Australia and Nigeria.



Olivier Scaillet

It was a great pleasure for all participants, and particularly for C.A.S.E. to welcome two specialists in this field of research: Professor Olivier Scaillet from Université de Genève and Professor Per Mykland from University of Chicago.

The first day started with a welcome and introduction by Professor Okhrin followed by the first group of lectures which focused on Multiple Testing and Factor Modelling in Finance; a developing and fascinating topic impressively presented in four lectures by Professor Scaillet. Professor Scaillet has recently published the results he presented in the Journal of Finance and Econometrica.

On Saturday Professor Mykland presented three notable lectures about the Econometrics of High Frequency Financial Data followed, at the end of the day, by an open-for-all questions and discussion session where he could give insight, not only into his current research results, but also into his ongoing projects.

During the breaks between the presentations on both days delegates used the opportunity to engage in lively debate on scientific issues raised in the lectures. It was generally agreed that all had benefited from the event.



Per Mykland



Olivier Scaillet, Ostap Okhrin and Per Mykland

Prof. Okhrin and Prof. Härdle plus the C.A.S.E. team are very grateful for the effort and commitment put in by Martin Schelisch and all of this year's helpers in making the DLS 2011 a success. (MS)

NEWS OF THE CRC

Denis Belomestny (B7) accepted a call from the Universität Duisburg-Essen and will be leaving the Weierstrass Institute for Applied Analysis and Stochastics on 1 March 2011. We sincerely regret that Denis Belomestny is leaving CRC 649, but wish him all possible success in his new position.

NEWS OF THE PROJECTS

Dorothea Kübler (A6) gave a talk entitled "Inconsistencies in Human Decision Making" on 20 January 2011 at CILS (Center for Integrative Life Sciences) at Humboldt-Universität zu Berlin.

Dietmar Fehr (A6) attended the Annual Meeting of the American Economic Association from 6 to 9 January 2011 in Denver. He presented his paper "Social Relationships and Trust: Experimental Evidence from a Slum in Cairo".

Peter Mohr (A12) successfully defended his Ph.D. thesis "Neural Foundations of Risk Processing and Decision Making under Risk in Young Adulthood and Old Age" on 21 January 2011.

Wolfgang Härdle (B1) gave a talk about "Dynamics of Implied Correlation Smiles" at the National Chiao Tung University, Taiwan on 7 January 2011. There he also gave a talk on "CDO Parameter Dynamics" on 18 January 2011. Further he gave a talk titled "Pricing Asian Weather Derivatives" at the University of Macao on 12 January 2011. Prof. Härdle gave a talk on "Quantile regression with single index models" at the Hong Kong Baptist University on 14 January 2011. On 17 January 2011, he gave a talk about "Partial Linear Quantile Regression and Bootstrap confidence Bands" at the Academia Sinica, Taiwan, where he also gave a talk about "Risk Aversion and Pricing Kernels" on 24 January 2011. Prof. Härdle gave a talk about "How to tame CDOs?" National Dong Hwa University, Taiwan on 21 January 2011.

Andrija Mihoci (B1) gave a talk about "Modelling and Forecasting Liquidity Supply using Semiparametric Factor Dynamics" at the Academia Sinica, Taiwan on 17 January and at the National Chiao Tung University, Hsinchu on 18 January 2011. Further he gave a talk titled "Locally Adaptive Multiplicative Error Models" at the Academia Sinica, Taiwan on 24 January and at G5 Capital Management, Ltd., Taipei on 26 January 2011.

The Paper of **Prof. Lutz Hildebrandt (B2)** and Yasemin Boztug "Modeling Joint Purchases with a Multivariate MNL Approach" was recently listed on SSRN's Top Ten download list for ERPN: Other Product Strategies.

Martin Wersing (B3) participated at the "5. Konferenz für Sozial- und Wirtschaftsdaten" held in Wiesbaden from 13 to 14 January 2011. He presented a poster on "Neighborhood Effects and Building Quality", a joint project with Rainer Schulz from the University of Aberdeen.

Volker Krättschmer (B5) attended the conference "Modeling and Managing Financial Risks" at the Paris VI-University, and gave a talk titled "Central limit theorems for law-invariant risk measures" on 11 January 2011.

Nikolaus Hautsch (B8) gave a talk on "Quantifying Time-Varying Marginal Systemic Risk Contributions" at the Conference "Asset and Risk Management in the Aftermath of the Financial Crisis" held at University of Lausanne on 21 January 2011.

Ostap Okhrin (B10) gave an invited talk at CFE-ERCIM 2010 in London from 9 to 12 December 2010 on "Time Varying Hierarchical Archimedean Copulas." Afterwards he had a research visit at Sinica University in Taiwan from 11 to 21 of January 2011 where he gave a talk on "Realized Copulas" on 17 January 2011. During his stay he also visited Hsinchu University on 18 January and Sun-Yat Sen National University from 13 to 14 January, where he also gave talks on "Realized copulas".

Weining Wang (B10) gave a talk about "hidden markov models and hierarchical archimedean copulae" at the Academia Sinica, Taiwan on 3 January 2011.

Michael C. Burda (C7) gave a talk about "Payroll taxes, social insurance and business cycles" at the Invited Speakers Programme at the European Central Bank in Frankfurt/Main on 10 January 2011. Further he held a Keynote Speech about "The Changing International Macroeconomic Environment" at the 2011 meeting of the Humboldt Forum for Food and Agriculture on 19 January 2011 in Berlin. He participated on a podiums discussion about "The markets under control? - In the grasp of the markets! From the financial crisis to the crisis of the welfare state?" at the Berlin School of Economics and Law on 27 January 2011.

Dieter Nautz (C14) was invited to the Bank of England to present his paper "Central Bank Communication and the Perception of Monetary Policy by Financial Market Experts" (co-authored with Sandra Schmidt) on 21 January 2011.

Sascha Becker (C14) successfully defended his PhD-thesis "The Non-Linear Relationship between Inflation and Relative Price Variability" on 14 December 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":

21.01.2011 -
14.02.2011

Camillo-Georg Freiherr von Müller
University of St. Gallen
Project: Evolution of sub-sovereign Debt
Ziegelstr. 13a, room 607, phone 2093 1455



27.12.2010 -
28.02.2011

Youssef Fahd
TU Berlin
Project: Whether equity-implied volatilities provide an adequate measure of credit risk for a firm.
Ziegelstr. 13a, room 601, phone 2093 1462



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
Ziegelstr. 13a, room 601, phone 2093 1462



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



23.08.2010 -
28.02.2011

Johannes Schmidt-Hieber

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



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



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



NEW DISCUSSION PAPERS

You find all discussion papers here:

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

- 2011-006** **Alexander Meyer-Gohde**
"Sticky Information and Determinacy"
- 2011-007** **Till Strohsal, Enzo Weber**
"Mean-Variance Cointegration and the Expectations Hypothesis"

PUBLICATIONS

- U. Basten, G. P. Biele, H. R. Heekeren, and C. J. Fiebach (2010)**
"How the brain integrates costs and benefits during decision making" Proceedings of the National Academy of Sciences (PNAS), vol. 107, no. 50, pp. 21767–21772.
DOI: 10.1073/pnas.0908104107.
- P. N. C. Mohr, G. P. Biele, and H. R. Heekeren (2010)**
"Neural Processing of Risk" Journal of Neuroscience, vol. 30, no. 19, pp. 6613–6619.
DOI: 10.1523/jneurosci.0003-10.2010.
- Härdle, W., Simar, L. (2011)**
应用多元统计分析, 第二版, Chinese translation of Applied Multivariate Statistical Analysis. Peking University Press. ISBN: 978-7-301-16772-4/F-2670



CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Markus Bibinger and Johanna Kappus, both are staff members of project C12 "Macroeconomic Consequences of Strategic Uncertainty".



Markus Bibinger was born in Ulm in 1981. Since 2011 he is a research assistant at the subproject 'Inference for jump models and nonlinear inverse problems' (C 12) of Markus Reiß at the department of mathematics, Humboldt University of Berlin. He graduated in mathematics at the Ruprecht-Karls-Universität Heidelberg in 2007. In his diploma thesis he has been concerned with nonparametric estimation methods for the integrated volatility of an Itô diffusion model in the presence of market microstructure frictions.

From 2007 to 2010 he has taken part in the project 'FIDEUM' (Finanzderivate in unvollständigen Märkten) of the Bundesministerium für Bildung und Forschung (BMBF), at the Interdisciplinary Center for Scientific Computing of the University of Heidelberg and the Humboldt University. He is currently working on statistical inference for non-synchronously observed multivariate noisy Itô diffusions and applications to financial high-frequency intra-day tick data. He is further interested in research on statistics for jump processes, inverse problems, (conditional) independence tests and asymptotic distribution theories. In his free time he likes sports, especially handball and skiing. (MB)

Johanna Kappus studied mathematics (Diplom) at Ruprecht-Karls-Universität Heidelberg. She is currently a research and teaching assistant in the staff of Prof. Markus Reiß. Her research interests lie in the area of nonparametric statistics, statistics for stochastic processes and their application in mathematical finance. In the academic year 2010, she spent five months at Université Paris V (Descartes) for a research project with Prof. Fabienne Comte and Prof. Valentine Genon-Catalot in the field of nonparametric estimation with model selection. (JK)



QUOTE OF THE MONTH

"A man always has two reasons for doing anything:
a good reason and the real reason."

J. P. Morgan (1837-1913)

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 2011 is 25.02.2011.**