COLLABORATIVE RESEARCH CENTER 649
"Economic Risk"

NEWSLETTER

No. 5

3 May 2011

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

5 – 6 May 2011

3rd Workshop on Marketing Metrics, Risk and Performance Modeling

Location: Faculty of Business and Economics
Spandauer Str. 1, Room 203

13 - 14 May 2011

Humboldt-Copenhagen Conference 2011 Developments in Financial Econometrics Recent

Location: University of Copenhagen

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.

2 May 2011

Haitao Li
(Michigan Ross School of Business)
"No-Arbitrage Taylor Rules with Switching Regimes"

9 May 2011

Jeroen Rombouts
(HEC Montreal)
"Marginal Likelihood for Markov-Switching and Change-Point GARCH Models"

23 May 2011

Heather Anderson
(Monash University)
"Testing for Co-Jumps with High Frequency Financial Data: An Approach based on First-High-Low-Last Prices"

30 May 2011

Marc Paolella
(University of Zurich)
"Multivariate Asset Return Prediction with Mixture Models"

SCHUMPETER SEMINAR

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

3 May 2011
Guy Michaels
(London School of Economics and Politicial Science)
"Do Oil Windfalls Improve Living Standards? Evidence from Brasil"

10 May 2011
Marek Jarocinski
(European Central Bank)
"Choice of Variables in Vector Autoregressions"

31 May 2011
Willi Semmler
(The New School)
"The Instability of the Banking Sector and Macrodynamics: Theory and Empirics "

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.

4 May 2011
Peter X. K. Song
(University of Michigan)
"Composite likelihood Bayesian information criterion for model selection in high dimensional correlated data"

11 May 2011
Shota Gugushvili
(The Netherlands)
"Consistent parameter estimation for systems of ordinary differential equations: bypassing numerical integration via smoothing"

18 May 2011
Thilo Meyer-Brandis
(LMU München)
"Malliavin differentiability of strong solutions of SDE's with application to the computation of Greeks"

25 May 2011
Cheng-Der Fuh
(Academia Sinica)
"HMM and HAC"

REVIEW ABOUT CRC 649 EVENTS

7 - 8 April 2011 **2011 BeNA Lecture Series: Panel data econometrics: Established methods and challenges**

Prof. Arellano

The 2011 BeNA Lecture Series was given by Manuel Arellano, professor at CEMFI in Madrid where he teaches graduate courses in econometrics. He gave three lectures on "Linear panels: Unobserved heterogeneity and dynamics", "Nonlinear panels: Random effect and Bayesian approaches", "Nonlinear panels: Fixed effects and bias reduction" and a research talk on "Identifying Distributional Characteristics in Random Coefficients Panel Data Models"

The lecture series was attended by 140 people from Germany and Europe. This is a new record for this event. The participants agreed that Prof. Arellano was an excellent lecturer and also very helpful during the organized office hours. He was delighted and impressed by the success of the 2011 BeNA Lecture Series and the number of participants.

Audience of the 2011 BeNA Lecture Series

NEWS OF THE PROJECTS

Dorothea Kübler (A6) gave a talk entitled "Revealed preferences, decision errors and welfare: The need for a normative theory of well-being" at the Workshop "Positive and Normative Aspects of Distributive Justice: An Interdisciplinary Perspective" on 17 March 2011 in Bremen. She also gave a talk at the University of Aarhus with the title "Centralized University Admissions in Germany: Empirical and Experimental Evidence" on 22 March 2011. Further Prof. Kübler gave a talk entitled "Why Votes Have a Value" at the IMEBE 2011 conference in Barcelona on 8 April 2011.

Joachim Gassen (A7) published the 8th edition of the textbook "Internationale Rechnungslegung" in co-authorship with Bernhard Pellens, Rolf-Uwe Fülbier and Thorsten Sellhorn on 15 April 2011. Furthermore he attended the annual congress of the European Accounting Association (EAA) in Rome from 20 to 22 April. He gave a talk entitled "The Contracting Role of Income Smoothing: Evidence of European Private Firms" (joined work with Rolf Uwe Fülbier).

Ulrich Horst (A11) visited the Center for Mathematical Modeling, Universidad de Chile, from 28 February to 23 March 2011. During his visit he gave a mini-course on "Risk Sharing under Asymmetric Information in Finance" and a seminar presentation on "Equilibrium Pricing in Incomplete Financial Markets in Discrete and Continuous Time". Prof. Horst has been elected Co-Editor of "Mathematics and Financial Economics" effective from 1 April 2011. He also organized the third Humboldt Distinguished Lecture Series in Applied Mathematics which took place at Humboldt-Universität zu Berlin from 12 to 13 April 2011.

Wolfgang Härdle (B1) gave a talk on "Pricing Asian temperature Risk" at New York University on 1 April 2011. Further he gave talks entitled "Localising temperature risk" at New School, New York on 5 April and "Flexible Quantile and Expectile regression with confidence bands and temperature shifts" at Rutgers University on 6 April 2011.

On invitation of Professor Jianqing Fan, **Ostap Okhrin (B10)** started a one-month research trip to Princeton University from 21 February to 26 March 2011. He gave talks about "Localizing Temperature Risk" at the Department of Economics, Harvard University on 28 February 2011, "Summary on Hierarchical Archimedean Copulas" at the Department of Biostatistics, University of Michigan School of Public Health on 4 March 2011, "Properties of Hierarchical Archimedean Copulas" at the Stevanovich Center for Financial Mathematics, The University of Chicago on 10 March 2011, and "Properties of Hierarchical Archimedean Copulas" at the Princeton Statistics Seminar, Department of Operations Research and Financial Engineering, Princeton University on 18 March 2011.

Michael C. Burda (C7) attended the commemoration ceremony for Detlef Carsten Rohwedder and participated in a podiums discussion about "Balances on the Trust Institution: Economy and employment" on 1 April 2011 at the Federal Ministry of Economics and Technology in Berlin. He held a lecture entitled "Payroll Taxes, Social Insurance and Business Cycles" in the research seminar at the Center for Macroeconomic Research at the University of Cologne on 27 April 2011.

Runli Xie-Uebele (formerly C7) successfully defended her Ph.D. thesis "Three Essays on Skill-Specific Labor Markets, Inequality, and Consumption over the Business Cycle" on 15 April 2011.

Juliane Scheffel (C7) presented her paper "Do Wage Differentials Compensate Enough? Compensating Wage Differentials and the Impact on Social Life" at the annual conference of the Royal Economic Society held from 18 to 20 April2011 in London.

Markus Reiß and Markus Bibinger (C12) gave talks about "Inference on the volatility in diffusion models with noise and Le Cam theory" and "Covariance estimation for non-synchronous noisy high-frequency observations" at the workshop "Asymptotical Statistics of Stochastic Processes VIII" in Le Mans from 16 to 20 March 2011.

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":

26.04.2011 - 10.09.2011

Timotej Jagrič
University of Maribor
Project: banking sector integration among EU countries
Spandauer Straße 1, room 318, phone 2093 1452

14.04.2011 - 14.05.2011

Leonie Wolfertz
ESCP Europe Berlin
Project: Special Purpose Acquisitions
Spandauer Straße 1, room 318, phone 2093 1452

12.04.2011 - 15.07.2011

Rohit Deo
New York University
Project: Areas of time series and econometrics
Spandauer Straße 1, room 400, phone 2093 5721

01.04.2011 - 30.06.2011

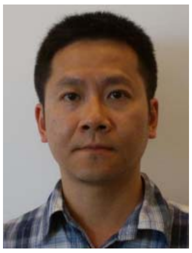
Robert Mülhaupt
Universität Potsdam
Project: The impact of the information environment on stock market efficiency
Spandauer Straße 1, room 318, phone 2093 1452

01.03.2011 - 30.04.2011

Christian Hattendorff
Freie Universität Berlin
Project: Does a resource-oriented export structure weaken a country?
Spandauer Straße 1, room 318, phone 2093 1455

01.03.2011 - 31.05.2011

Derek Cheng
Hanken School of Economics, Helsinki
Project: Stochastic volatility, Fractal Geometry in Finance, Fibonacci Volatility
Spandauer Straße 1, room 318, phone 2093 1452



01.12.2010 - 31.05.2011

Friederike Hablizel
Universität Bayreuth
Project: Pension accounting - Impact of a revised pension accounting model on financial statements of listed European companies.
Spandauer Straße 1, room 318, phone 2093 1452

15.02.2011 - 15.08.2011

Falko-Alexander Schulz
Project: Estimation of high-dimensional conditional covariances
Spandauer Straße 1, room 318, phone 2093 1452

17.01.2011 - 17.01.2012

Aleksandra Rzeznik
Europa Universität Viadrina
Project: Estimation of abnormal returns arisen as a result of new joint venture announcements
Spandauer Straße 1, room 318, phone 2093 1452

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
Spandauer Straße 1, room 318, phone 2093 1452

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
Spandauer Straße 1, room 318, phone 2093 1452

23.08.2010 – 30.06.2011	**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? Spandauer Straße 1, room 318, phone 2093 1452	
21.06.2010 – 31.12.2012	**Magdalena Tchikov** Freie Universität Berlin Project: Empirical analysis of CDS pricings; Consistency to prevalent pricing models Spandauer Straße 1, room 318, phone 2093 1452	

NEW DISCUSSION PAPERS

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

2011-020 **James E. Gentle, Wolfgang Karl Härdle, Yuichi Mori**
"How Computational Statistics Became the Backbone of Modern Data Science"

2011-021 **Jana Luisa Diels, Nicole Wiebach**
"Customer Reactions in Out-of-Stock Situations – Do promotion-induced phantom positions alleviate the similarity substitution hypothesis?"

PUBLICATIONS

B. Pellens, R. U. Fülbier, J. Gassen und T. Sellhorn (2011)

Internationale Rechnungslegung, 8. Auflage. Schäffer-Poeschel, Stuttgart. ISBN: 3-7910-2938-X

A. Groß-Klußmann and N. Hautsch (2011)

When machines Read the News: Using Automated Text Analytics to Quantify High Frequency News-Implied Market Reactions, Journal of Empirical Finance, 18 (2), 321-340.
DOI: 10.106/j.jempfin/2010.11.009

Deniz Karaman-Örsal and Bernd Droge (2011)

Corrigendum to "Likelihood-Based Cointegration Tests in Heterogeneous Panels" Econometrics Journal, 14, 121-125
DOI: 10.1111/j.1368-423X.2010.00327.x

QUOTE OF THE MONTH

"The only way of finding the limits of the possible is by going beyond them into the impossible."

Arthur C. Clarke (1917-2008)

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 sixth Newsletter 2011 is 30.05.2011.