COLLABORATIVE RESEARCH CENTER 649
"Economic Risk"

NEWSLETTER

No. 11
2 November 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 22
Time: every Monday, 2 – 4 p.m.

7 November 2011 — **Wei Cui**
(Bendheim Center of Finance Princeton)
"Investment and Capital Reallocation"

14 November 2011 — **Michal Dzielinski**
(Institute for Swiss Banking)
"News and Behavioral Finance"

28 November 2011 — **Luitgard A. M. Veraart**
(London School of Economics)
"Failure and Rescue in an Interbank Network"

SCHUMPETER SEMINAR

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

1 November 2011 — **Helmut Lütkepohl**
(European University Institute Firenze)
"Structural Vector Autoregressive Analysis"

15 November 2011 — **Mattia Nardotto**
(University of Bologna)
"Nudging with information: a randomized field experiment on reminders and feedback"

29 November 2011 — **Gino Gancia**
(Universitat Pompeu Fabra Barcelona)
"Offshoring and Directed Technical Change"

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 November 2011 — **Rui Castro**
(Eindhoven University of Technology)
"Adaptive Sensing for Sparse Signal Detection and Localization"

23 November 2011 **Samory Kpotufe**
(MPI Tübingen)
"The curse of dimension in nonparametric regression"

REVIEW ABOUT CRC 649 EVENTS

24 to 25 October 2011 **Hermann Otto Hirschfeld Lecture**

Prof. Härdle and Prof. Hausman

On 24 and 25 October 2011, CASE jointly with CRC-649 and the Wirtschaftswissenschaftliche Gesellschaft hosted the 9th Hermann Otto Hirschfeld Lecture Series 2011. The lecture series which started in 2003 is in memory of Hermann Otto Hirschfeld. The event took place at the Heilig-Giest-Kapelle of the School of Business and Economics at Humboldt-Universität zu Berlin, and was organised by Wolfgang Härdle and Andrija Mihoci. More than 80 participants attended the symposium.

This year, Professor Jerry A. Hausman (MIT Department of Economics) gave four talks, jointly entitled 'Modelling Heterogeneity in Econometrics' as the guest speaker. His talks followed a welcome address by Professor Härdle and a presentation given by Dr. Annette Vogt (Max Planck Institute for the History of Science) about scientists at the Berlin University, (the original name for HU) from 1883/1886 to 1917. (AM)

Participants of the HOH Lecture

28 to 29 October 2011 **Humboldt-Princeton Conference**

B. Choroś-Tomczyk, R. Sircar and W. Härdle

What do sex-related homicides and implied volatility have in common? Both are important statistical problems which were discussed during the Humboldt-Princeton Conference together with other topics on Risk Patterns in Economics, Statistics, Finance and Medicine.
The conference took place between 28 and 29 October 2011 in the School of Business and Economics, Humboldt-Universität zu Berlin. The Humboldt-Princeton conference has been running since 2007 and takes place every two years alternating in Berlin and in Princeton.

This year we hosted 12 researchers from the Department of Operations Research & Financial Engineering and The Bendheim Center for Finance at Princeton University, namely; Jianqing Fan, Yacine Ait-Sahalia, Rene Carmona, Patrick Cheridito, Ronnie Sircar, Philippe Rigollet, Birgit Rudloff, Stephan Sturm, Maxim Bichuch, Andrew Papanicolaou, Michael Coulon, Yuan Liao. The speakers representing the Berlin universities were: Nikolaus Hautsch, Markus Reiss, Ulrich Horst, Martin Keller-Ressel, Antonis Papapantoleon, Hauke Heekeren, Dirk Becherer, Maria Grith, Andrija Mihoci, and Stephan Stahlschmidt. We would like to acknowledge the financial support of SFB 649, Wirtschaftswissenschaftliche Gesellschaft Gesellschaft, WIWEX GmbH, and WIAS. (BCT)

Participants of the conference

NEWS OF THE CRC

At the recommendation of Prof. Michael C. Burda (C7), Prof. Daniel Hamermesh (University of Texas) was awarded with a Humboldt Foundation Research Prize by the Alexander von Humboldt-Stiftung. Daniel Hamermesh will substantially strengthen Berlin's applied labor economical research profile and the CRC is looking forward to a productive collaboration with such a distinguished researcher.

NEWS OF THE PROJECTS

Dorothea Kübler (A6) gave a talk entitled "Centralized University Admissions in Germany: Empirical and Experimental Evidence" at the University of East Anglia on 29 September 2011. She presented the paper "Implementing Quotas in University Admissions: Experimental Evidence" at the University of Konstanz, Center for Psychoeconomics, on October 24, 2011.

Joachim Gassen (A7) attended the management committee meeting of the European Ac-counting Association in Brussels on 19 October 2011. Prof. Gassen and **Timo Eisenschink (A7)** also attended the "Current Topics in Accounting Research Seminar" at Bergische Universität Wuppertal from 29 to 30 September 2011. Timo Eisenschink gave a talk entitled "Financial Accounting Reporting Survey" at this seminar.

Jan Peter aus dem Moore and Hanna Wielandt (A9) participated in the 8th IWH-IAB Workshop on "Qualität der Arbeit" at the IWH Halle in Halle (Saale) from 20 to 21 October, and presented their project "Routine task intensity and the growth of temporary help services" (joint work with Alexandra Spitz-Oener).

Hanna Wielandt (A9) and Charlotte Senftleben stayed at the Research Data Centre (FDZ) of the German Federal Employment Agency (BA) at the Institute for Employment Research (IAB) in Nürnberg from 4 to 7 October to work on their project "Routine task intensity and employment changes in local labor markets".

Hauke Heekeren (A12) is the President Elect of the Society for Neuroeconomics since its Annual Meeting from 30 September to 2 October 2011.

Brenda López-Cabrera (B1) presenting her paper "State Pricing densities for incomplete markets: an Application for weather derivatives" at the Energy Finance conference 2011 Rotterdam from 5 to 6 October 2011.

Jana Diels (B2) visited the Katholieke Universiteit Leuven as Visiting Scholar from 3 to 14 October 2011.

Nikolaus Hautsch (B8) gave a talk entitled "On the Dark Side of the Market: Identifying and Analyzing Hidden Order" at Cass Business School in London on 12 October 2011.

Michael C. Burda (C7) gave a talk entitled "What explains the German labor market miracle?" at the University of East Anglia on 6 October 2011. He held a lecture on "The endless Euro-crisis: Which future do Euro and European Union have? " at the Urania in Berlin on 10 October 2011.

On 12 October, he gave a talk about "The national debt crisis – Final game or cold start for Europe?" at the Catholic Academy in Berlin. From 13-14 October 2011, Prof. Burda participated at the DNB/IMF workshop "Preventing and correcting macroeconomic imbalances in the Euro area" at the Netherlands Bank in Amsterdam and hold a lecture on "What explains the German labor market miracle?".
Further, Prof. Burda participated in the Herbert Giersch Symposium "Crises without end" organized by the Cologne Institute for Economic Research on 20 October 2011 in Frankfurt/Main.
From 25 to 28 October 2011, he gave three lectures at the University of Milan and participated at the IBM/CEO conference "Ripresa economica e mercato del lavoro: Cosa possiamo imparare dalla Germania?" on 28 October 2011.

Frank Heinemann (C10) participated in the Franco-German Conference "European Monetary Policy from Trichet to Draghi" in Berlin on 24 October 2011.

Jakob Söhl (C12) attended the Workshop on "Adaptation in Nonparametric Statistics" in Eindhoven from 10 to 12 October and the Seminar on "Statistics for Stochastic Differential Equations" in Oberwolfach from 16 to 22 October and presented on both occasions on "Confidence Sets in Nonparametric Calibration of Exponential Lévy Models".

GUESTS OF THE CRC 649

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

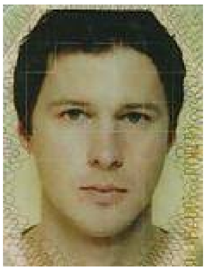
Current Guests of the CRC 649 "Economic Risk":

24.10.2011 - 31.12.2011

Kathrin Haberle
Zeppelin University & University of Passau
Project: Cognitive Processes of CEOs between 1980 and 2005
Spandauer Str. 1, room 318, phone 2093 5895

15.10.2011 - 15.01.2012

Robert Mülhaupt
Universität Potsdam
Project: Der Einfluss des Informationsumfeldes auf die Effizienz von Aktienmärkten
Spandauer Str. 1, room 318, phone 2093 5895



01.10.2011 - 30.11.2011

Andre Tomfort
Hochschule für Wirtschaft und Recht Berlin
Project: Investigation of potential real estate bubble in China & Dynamic correlations between major commodity markets
Spandauer Str. 1, room 318, phone 2093 5895

19.09.2011 - 19.12.2011

Andreas Venus
RWTH Aachen & TU Dortmund
Project: The power of CFOs and their impact on corporate strategy and performance
Spandauer Str. 1, room 318, phone 2093 5895

18.09.2011 - 18.12.2011

Burcu Erdogan
Universität Trier
Project: Puzzles in International Macroeconomics Revisited: Risk versus Ambiguity
Spandauer Str. 1, room 318, phone 2093 5895

15.09.2011 - 15.11.2011

Maximilian Kuhn
Columbia University & Freie Universität Berlin
Project: EURASIA Gas 2030
Spandauer Str. 1, room 318, phone 2093 5895

01.09.2011 - 30.12.2011

Helena Chuliá
University of Barcelona
Project: Linkages between European stock and bond markets: liquidity and volatility
Spandauer Str. 1, room 318, phone 2093 5895

01.09.2011 - 31.12.2011

Christian Hafner
Louvain School of Statistics, Biostatistics and Actuarial Sciences (LSBA)
Project: Uni– and Multivariate Volatility Models
Spandauer Str. 1, room 312, phone 2093 5748

16.05.2011 - 30.12.2011	**Tobias Vetter** Hochschule für Ökonomie und Management Project: Performance- und Kostenvergleich zwischen Portfolios mit aktiv gemanageten Investmentfonds und passiven Indexfonds (ETFs) Spandauer Str. 1, room 318, phone 2093 5895	
02.05.2011 - 31.12.2011	**Anastasia Kraft** Freie Universität Berlin Project: An inter-country comparison of lease disclosures in the assessment of equity risk Evidence from UK and Germany Spandauer Str. 1, room 318, phone 2093 5895	
20.04.2011 - 31.12.2011	**Gundbert Scherf** Hertie School of Governance Project: The Political Economy of Financial Stability Policy Spandauer Str. 1, room 318, phone 2093 5895	
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 Str. 1, room 318, phone 2093 5895	
21.06.2010 - 31.12.2012	**Magdalena Tchikov** Freie Universität Berlin Project: Empirical analysis of CDS pricings; Consistency to prevalent pricing models Spandauer Str. 1, room 318, phone 2093 5895	

NEW DISCUSSION PAPERS

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

2011-061 **Ulrich Horst, Ying Hu, Peter Imkeller, Anthony Reveillac, Jianing Zhang**
"Forward-backward systems for expected utility maximization"

2011-062 **Aurélie Bertrand, Christian M. Hafner**
"On heterogeneous latent class models with applications to the analysis of rating scores"

2011-063 **Luc Bauwens, Christian M. Hafner, Diane Pierret**
"Multivariate Volatility Modeling of Electricity Futures"

2011-064 **Enno Mammen, Christoph Rothe, Melanie Schienle**
"Semiparametric Estimation with Generated Covariates"

2011-065 **Sven Tischer, Lutz Hildebrandt**
"Linking corporate reputation and shareholder value using the publication of reputation rankings"

2011-066 **Dorothee Schneider**
"Monitoring, Information Technology and the Labor Share"

2011-067 **Gregor Heyne, Michael Kupper, Christoph Mainberger**
"Minimal Supersolutions of BSDEs with Lower Semicontinuous Generators"

2011-068 **Dorothee Schneider**
"Bargaining, Openness, and the Labor Share"

2011-069 **Dorothee Schneider**
"The Labor Share: A Review of Theory and Evidence"

2011-070 **Dietmar Fehr, Frank Heinemann, Aniol Llorente-Saguer**
"The Power of Sunspots: An Experimental Analysis"

2011-071 **Fabian Y. R. P. Bocart, Christian M. Hafner**
"Econometric analysis of volatile art markets"

2011-072 **Nikolaus Hautsch, Julia Schaumburg, Melanie Schienle**
"Financial Network Systemic Risk Contributions"

PUBLICATIONS

Härdle, W.K. and López Cabrera, B. (2011)
The implied market price of weather risk, Applied Mathematical Finance, iFirst, 1–37.
DOI: 10.1080/1350486X.2011.591170

Akdeniz Duran, E., Härdle, W.K. and Osipenko, M. (2011)
Difference based Ridge and Liu type Estimators in Semiparametric Regression Models, Journal of Multivariate Analysis, Volume 105, Issue 1, 164-175.
DOI: 10.1016/j.jmva.2011.08.018

Burda, M.C. (2011)

Book Review - Hall, R.: Forward-looking decision making: dynamic programming models applied to health, risk, employment, and financial stability (The Gorman Lectures in Economics) XIII, 126 pp. Princeton University Press, Princeton and Oxford 2010, Journal of Economics: Volume 104, Issue 2 (2011), Page 195-197
DOI: 10.1007/s00712-011-0210-3

CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Paulwin Graewe, staff member of project A11 "Securitization and Equilibrium Risk Transfer".

Paulwin Graewe was born in Göttingen. He studied mathematics and computer science at the Ruprecht-Karls-Universität Heidelberg and Freie Universität Berlin, where he received his diploma degree in July 2011. During his studies, he worked as a student assistant at the Technische Universität Berlin, Universität Heidelberg and Fraunhofer-Institut (EMI) Freiburg.
Since October 2011, Paulwin Graewe has been working as a research assistant to Prof. Ulrich Horst at the Chair of Applied Financial Mathematics, Humboldt-Universität zu Berlin. His current research activities focus on Principal-Agent games under model uncertainty. In his spare time, he likes all kinds of endurance sports, especially running and cross country skiing. (PG)

QUOTE OF THE MONTH

"Most of what we call management consists of making it difficult for people to get their work done."

Peter Drucker (1909-2005)

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 2011 is 30.11.2011.