COLLABORATIVE RESEARCH CENTER 649
"Economic Risk"

NEWSLETTER

No. 2

5 February 2013

Humboldt-Universität zu Berlin
Collaborative Research Center 649
Spandauer Straße 1
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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 Straße 1 - Room 23
Time: every Monday, 2.00 – 4.00 p.m.

4 February 2013

Brendan Beare
(San Diego University)
"Option portfolio choice under pricing kernel monotonicity"

11 February 2013

Student presentations

SCHUMPETER SEMINAR

Location: Spandauer Str. 1, room 23
Time: every Tuesday, 4.00 – 6.00 p.m.

5 February 2013

Maik Heinemann
(University Potsdam)
"Endogenous Growth, the Distribution of Wealth, and Optimal Policy under Incomplete Markets and Idiosyncratic Risk"

12 February 2013

Zeno Enders
(Universität Heidelberg)
"Undue optimism and economic activity"

WIAS RESEARCH SEMINAR MATHEMATICAL STATISTICS

Location: Weierstrass Institute for Applied Analysis and Stochastics, Mohrenstraße 39, 10117 Berlin, Erhard-Schmidt-Hörsaal
Time: every Wednesday, 10.00 a.m. – 12.30 p.m.

13 February 2013

Siegfried Hörmann
(ULB, Brussels)
"PCA for functional time series: basics, applications and extensions"

CURRENT EVENTS

More information can be found here:
http://sfb649.wiwi.hu-berlin.de/fedc/events_actual.php

7 – 10 February 2013

Haindorf Seminar 2013

Location: International Center for Spiritual Rehabilitation, Klasterni 1, 463 62 HEJNICE, Czech Rebublic

Time: 3 p.m. (only for CRC members)

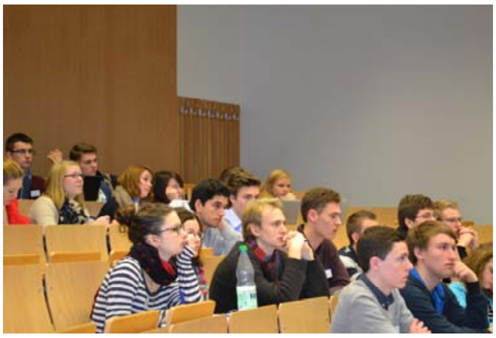
https://lvb.wiwi.hu-berlin.de/research/veranstaltungen/hejnice-2013

REVIEW ABOUT CRC 649 EVENTS

4 – 6 January 2013

Econ Boot Camp 2013

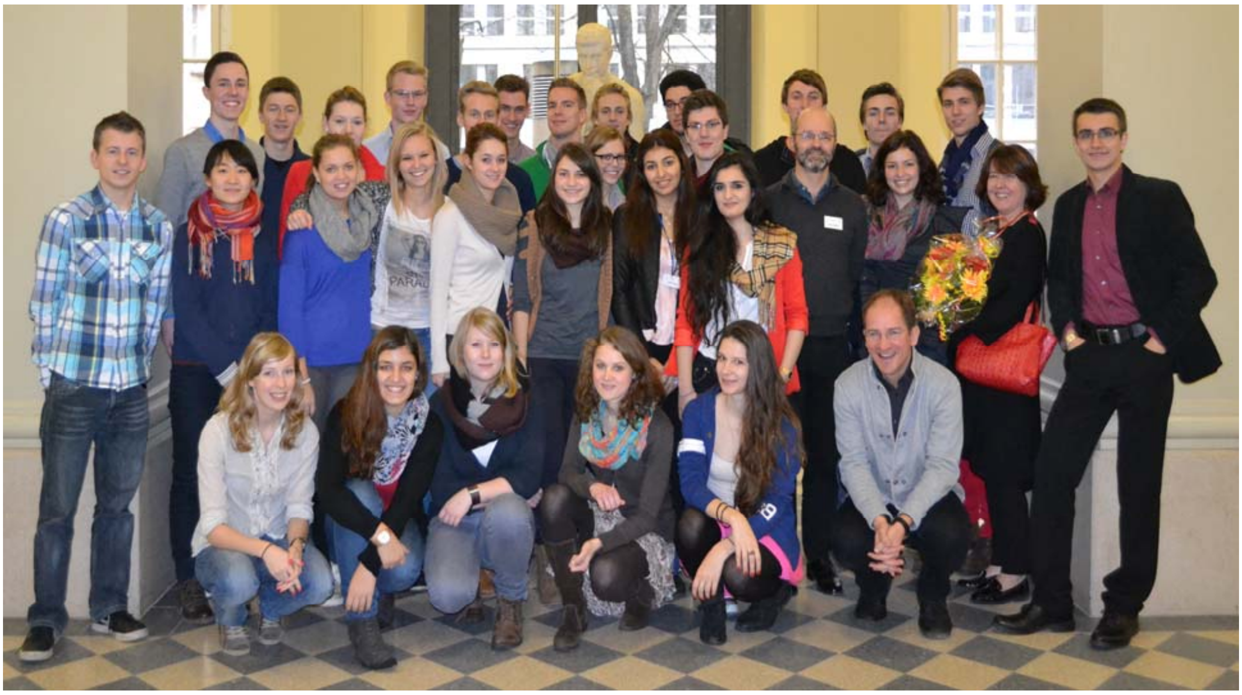
The 6th Econ Boot Camp was held from 4 to 6 January 2013. It was organized by the CRC 649 and financially supported by the Society for Economics and Management at the Humboldt-Universität zu Berlin. The Econ Boot Camp is a workshop specially designed for high-school students from all parts of Germany with interests in the fields of economics and statistics. As they will complete school in summer this workshop is the perfect opportunity to get to know Humboldt-Universität and the city of Berlin as possible place for them to study and to live.



Participants of the EBC during the presentations

The first day started with an introduction to empirical research in economics, presented by Prof. Dieter Nautz. The following five presentations gave insights into various themes like economic growth (Daniel Neuhoff), labor economics (Hanna Wielandt), financial markets (Peter Malec), reals estate industry (Prof. Axel Werwatz) and "bank runs" (Prof. Alex Stomper). After a lot of information in the morning, our students got the chance to find out more about the history of Berlin.

Taking part in a guided tour in the Rotes Rathaus they learned a lot about the changes in the urban landscape from the late 19th century until now. On Saturday our students worked the whole day on scientific question concerning some statistical data. Therefore we devided the participants into 5 groups according to the 5 different topics presented by the lecturers the day before. Supported by scientific assistants the students put together their solutions to a 15-minute presentation.



Participants of the Econ Boot Camp 2013

On Sunday all students came together in the Heilig-Geist-Kapelle to present their findings to a jury, which consisted of Prof. Franz Hubert, Prof. Andre Plinke and Prof. Dieter Nautz. After 5 excellent presentations the jury decided that the real estate industry group had convinced them the most. The six group members won a book and received a winner's certificate. After the presentation ceremony the day was topped off by an excursion to the Bundestag. As in the past years, the Econ Boot Camp was very successful and reaped an incredible amount of praise from the students. (AR)

23 January 2013

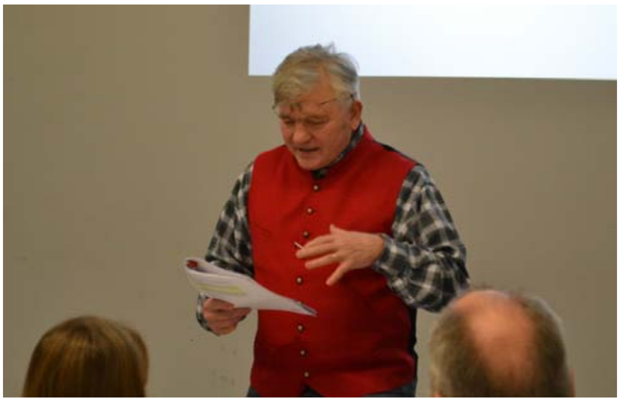
Jour fixe winter 2013

On 23 January 2013 the CRC 649 members met for the Jour fixe winter 2013. In the beginning Prof. Härdle reminded about the importance of providing all the codes, used by CRC 649 members for their research projects, into the Quantnet Database. Prof. Burda recommended CRC 649 researchers to publish all their results primarily as CRC 649 discussion papers and make them available on the CRC 649 website as soon as possible. Prof. López Cabrera announced the Hilda Geiringer Lecture Series organized by CRC 649 in the beginning of July 2013. Further RDC news and statistics were presented.

Participants of the Jour fixe

After that Maria Osipenko (B1) gave a talk on "Pricing Chinese Rain". Following the joint meeting, there were three parallel sessions of molecule talks by other CRC 649 members: Axel Werwatz, Nikolaus Wolf (B3): "Homeownership and Labor Mobility: Are Homeoners locked in? (How to get) Evidence from a natural experiment", Zhiwei Shen (C11): "Can expert knowledge compensate data scarcity in crop insurance pricing? ", Piotr Majer (B1):

"A dynamic semiparametric factor model for realized spreads in nominal and inflation linked bonds", Weining Wang (B1): "Composite regression for single index model", Jens Stange (A14): "Multiple point hypotheses testing problems",
Maya Zhilova (B5): "Uniform Confidence Bands in Local Parametric Estimation". (MZ)



Coordinator Wolfgang Härdle

NEWS OF THE PROJECTS

Roland Strausz (A8) gave a talk on 11 January 2013 at Hamburg University on "Independent Regulatory Agencies and the Management of Politically Induced Regulatory Risk".

Ulrich Horst (A11) gave a plenary talk on "Optimal Display of Iceberg Orders - On the Interaction of Upstairs and Downstairs Markets" at the The First Asian Quantitative Finance Conference from 9 to 11 January 2013 in Singapore and an invited presentation at the Mathematics Department at NUS on "When to Cross the Spread - Curve Following with Singular Control" on 18 January 2013.

Thorsten Dickhaus (A14) gave an invited talk entitled "Copula-basierte Beschreibung simultaner Testprozeduren (Simultaneous test procedures in terms of p-value copulae)" in the Biometrics Colloquium Hannover at Leibniz University Hannover on 17 January 2013. Also he held a talk entitled "How to analyze many contingency tables simultaneously in genetic association studies" at the Meeting on Statistical Methods for (post-) Genomics Data (SMPGD 2013) at VU University Amsterdam on 24 January 2013.

Wolfgang Härdle (B1) gave a talk at Georg-August-Universität Göttingen at the Courant Research Centre "Poverty, Equity and Growth in Developing Countries: Statistical Methods and Empirical Analyses" about "Functional Data Analysis for Generalized Quantile Regression" on 25 January 2013.

Martin Wersing (B3) has accepted an offer from the University of Aberdeen Business School. He took up his position as a lecturer in Real Estate this January. We wish him all the best.

Michael C. Burda (C7) participated from 4 to 6 January 2013 at the annual meeting of the American Economic Association in San Diego and gave a lecture on "Cyclical Variation in Labor Hours and Productivity Using the ATUS" (with Daniel Hamermesh).
He visited the Department of Economics at the Copenhagen Business School from 17 to 20 January 2013 and worked together with Battista Severgnini on a joint research project.

GUESTS OF THE CRC 649

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

Current Guests of the CRC 649 "Economic Risk":

03.12.2012 – 28.02.2013

Peitzner, Martin
TU Dortmund

Project: *PhD Thesis on TMT (Top Management Team) characteristics*

Spandauer Str. 1, room 318
phone: 2093 5895

07.01.2013 – 07.04.2013

Biermann, Steffen
University Duisburg-Essen

Project: *The accuracy of corporate risk valuation with a capital market theory valid model*

Spandauer Str. 1, room 318
phone: 2093 5895

10.10.2012 – 31.07.2013

Gaiduchevici, Gabriel
Bucharest Academy of Economic Studies

Project: *Credit Risk Mitigation Technique*

Spandauer Str. 1, room 318
phone: 2093 5895

31.01.2013 – 11.02.2013

Park, Juhyun
Lancaster University

Project: *functional data analysis, nonparametric regression and additive models, time series analysis*

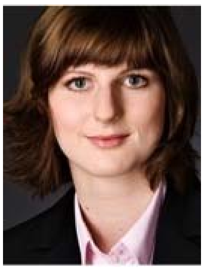
Spandauer Str. 1, room 312
phone: 2093 5748

19.11.2012 – 31.03.2013

Ahrens, Stefanie
TU München

Project: *PHD-Thesis on syndicated Loans*

Spandauer Str. 1, room 318
phone: 2093 5895



01.11.2012 – 21.05.2013

Karaman Örsal, Deniz Dilan
Leuphana Universität Lüneburg

Project: *Likelihood-Based Panel Cointegration Testing and its Applications in Macroeconomics and Financial Market Analysis*

Spandauer Str. 1, room 318
phone: 2093 5895

26.06.2012 – 31.03.2013

Runge, Julian
HU-WiWi-Institut für Entrepreneurship und Innovationsmanagement

Project: *Opportunity and Necessity Entrepreneurship*

Spandauer Str. 1, PC-Pool
phone: 2093 5602

04.01.2013 – 22.03.2013	**Seibert, Nicolas** Universität Potsdam Project: *Treasury Management of International Companies* Spandauer Str. 1, room 318 Phone: 2093 5895

01.10.2012 – 28.02.2013	**Diab, Fadi** Grenoble Graduate School of Business Project: *Financial structure of German companies in the aftermath of the financial crisis. A critical analysis from an international perspective* 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.php

2013-001 **Mengmeng Guo, Lhan Zhou, Jianhua Z. Huang, Wolfgang Karl Härdle**
"Functional Data Analysis of Generalized Quantile Regressions"

2013-002 **Alexander B. Matthies**
"Statistical properties and stability of ratings in a subset of US firms"

2013-003 **Alexander B. Matthies**
"Empirical Research on Corporate Credit-Ratings: A Literature Review"

2013-004 **Nadja Dwenger, Dorothea Kübler, Georg Weizsäcker**
"Preference for Randomization: Empirical and Experimental Evidence"

2013-005 **Brenda López Cabrera, Martin Odening, Matthias Ritter**
"Pricing Rainfall Derivatives at the CME"

2013-006 **Markus Bibinger, Per A. Mykland**
"Inference for Multi-Dimensional High-Frequency Data: Equivalence of Methods, Central Limit Theorems, and an Application to Conditional Independence Testing"

2013-007 **Jutta Dönges, Frank Heinemann, Tijmen R. Daniëls**
"Crossing Network versus Dealer Market: Unique Equilibrium in the Allocation of Order Flow"

2013-008 **Nikolaus Hautsch, Julia Schaumburg, Melanie Schienle**
"Forecasting systemic impact in financial networks"

2013-009 **David Danz, Frank Hüber, Dorothea Kübler, Lydia Mechtenberg, Julia Schmid**
"I'll do it by myself as I knew it all along': On the failure of hindsight-biased principals to delegate optimally"

PUBLICATIONS

Mechtenberg, L. and Strausz, R. (2012)
Migration of the Talented: Can Europe catch up with the U.S.?,
Journal of Public Economic Theory, Vol. 14 (6), 945-969.
DOI: 10.1111/jpet.12005

Strausz, R. (2012)
Mediated contracts and mechanism design,
Journal of Economic Theory, Vol. 147 (3), 1280-1290.
DOI: 10.1016/j.jet.2012.01.005

Borak, S., Härdle, W. and López-Cabrera, B. (2013)
Statistics of Financial Markets,
Springer Berlin Heidelberg.
DOI: 10.1007/978-3-642-33929-5

CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Ioana Duca, staff member of project B1 "Dynamic Semi-parametric Modeling" and Franziska Schulz, research assistant of the project C11.

Ioana Duca has received her Master in Science degree in Econometrics from University of Amsterdam in 2010. Her master thesis deals with estimation and testing procedures in event study analysis. In October 2010 she began her PhD studies in Economic Cybernetics and Statistics at the Academy of Economic Studies in Bucharest. Starting in April 2012, she joined the research team at the Ladislaus von Bortkiewicz Chair of Statistics, Humboldt-Universität zu Berlin. Her research visit was initially funded by the European Social Fund through the project entitled "PhD for a career in interdisciplinary research at the European Standards".

Currently she is working on the project "Options Implied Stock Returns Distribution" together with Maria Grith and professor Wolfgang Härdle (both B1). The project focuses on estimating the density of option underlyings under the physical measure by adjusting the risk neutral density with a pricing kernel specification which allows for non-monotonicity. (ID)

Franziska Schulz received her Master in Statistics from Humboldt-Universität zu Berlin in 2012. Her majors are Statistical Inference and Econometrics and her master thesis dealt with volatility linkages between biofuel prices and agricultural commodity prices. Before, she studied Econometrics and Operations Research at Maastricht University. During her studies she worked as a student assistant at the Ladislaus von Bortkiewicz Chair of Statistics and at the Department of Agricultural Economics in the project C11 "Weather Risk Management". Since January 2013 she is working as a research assistant at the project C11. In her free time she enjoys horse riding and sailing. (FS)

QUOTE OF THE MONTH

"There are two things to aim at in life; first to get what you want, and after that to enjoy it. Only the wisest of mankind has achieved the second."

Logan Pearsall Smith (1865 – 1946)

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 2013 is 26.02.2013.