COLLABORATIVE RESEARCH CENTER 649
"Economic Risk"

NEWSLETTER

No. 7

5 July 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.

3 July 2013
Martin Oehmke
(Columbia University)
"Synthetic or Real: The Equilibrium Effect of Credit Default Swaps on Bond Markets"

8 July 2013
Emmanuel Bacry
(École polytechnique Paris)
"Model for Price and Trades High-Frequency Dynamics"

SCHUMPETER SEMINAR

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

2 July 2013
Philipp Lawler
(Swansea University)
"Optimal Transparency and Policy Intervention with Hetereogeneous and 'Sticky' Information"

9 July 2013
Hendrik Hakenes
(Universität Bonn)
"Regulatory Capture by Sophistication"

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.

3 July 2013
Anne Leucht
(Universität Mannheim)
"Degenerate U-statistics under weak dependence: Asymptotics, bootstrap and applications in statistics"

10 July 2013

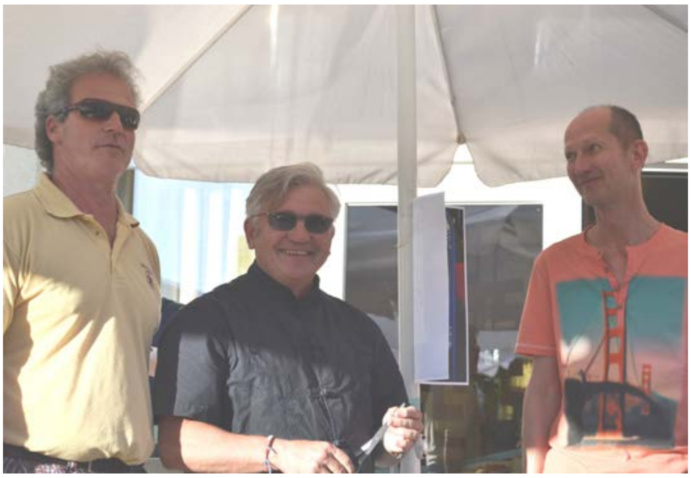
Bharath Sriperumbudur
(University of Cambridge)
"RKHS-induced infinite dimensional exponential families: Density estimation and beyond"

REVIEW ABOUT CRC EVENTS

20 – 22 June 2013

CRC 649 Conference 2013

The CRC 649 "Economic Risk" meeting took part in Motzen from 20th to 22nd of June 2013. After last year's meeting where the continuation of CRC 649 was to be secured during the evaluation last summer, the participants were mainly concerned with discussing ongoing and future research. As is tradition, the conference started with a plenary talk, this time Axel Werwatz and Nikolaus Wolf talked about difference in difference estimation and young scientists presented their ongoing research in parallel sessions.



Michael Burda, Wolfgang Härdle and Frank Heinemann

With the excellent weather, the amenities of the resort and its surrounding were enjoyed in full and contributed to a productive and very pleasant two days. The second day ended with a festive barbeque during which the participants could get to know each other better and discuss ideas in an informal setting. The participants are looking forward to the last 3,5 years of CRC 649 and hope for the creation of a new CRC after the end of the funding period. (DN)

Participants of the CRC 649 Conference

CURRENT EVENTS

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

8 – 9 July 2013	**Hilda Geiringer Lecture Series 2013**	
	Location:	Festsaal, Luisenstraße 56, 10117 Berlin
	Time:	1 p.m.

http://sfb649.wiwi.hu-berlin.de/fedc/events/hilda-geiringer/HG.html

NEWS OF THE CRC

The CRC 649 project leaders elected a new member to the management board. The "Vorstand" now consists of Wolfgang Härdle, Michael Burda and Frank Heinemann.

NEWS OF THE PROJECTS

Thomas Giebe (A6) visited the University of York, Department of Economics and Related Studies, United Kingdom from 23 to 28 June 2013.

Dorothea Kübler (A6) gave a talk entitled "Implementing Quotas in University Admissions: Experimental Evidence" at the workshop "Advances in Market Design" at Paris School of Economics from 11 to 12 June 2013. She also contributed to the "Summer School on Matching Problems, Markets, and Mechanisms" in Budapest from 24 to 28 June 2013, with a lecture on "University admissions in Germany: empirical and experimental evidence".

Ulrich Horst (A11) gave a plenary talk on "Stochastic Control Problems with Singular Value Functions - Analytic Solutions and Application to Optimal Portfolio Liquidation" at the 2013 IMS-FPS Workshop in Singapore from 19 to 21 June 2013). He also organized the 2013 Humboldt Distinguished Lecture Series by Xunyu Zhou on "Behavioral Portfolio Choice and Equilibrium" that took place from 10 to 11 June 2013.

Thorsten Dickhaus (A14) visited the Department of Mathematical Sciences at the Norwegian University of Science and Technology (NTNU) Trondheim from 2 to 8 June 2013. There, he gave two talks, entitled "Multiple statistical decision problems: an overview with emphasis on multiple tests" and "Combined multiple testing and statistical learning methodology for genetic association studies".

Wolfgang Härdle (B1) visited CASE - Center for Advanced Statistics and Econometrics at Suzhou University in Suzhou, China and gave a talk on 22 May 2013 on "Quantiles and Expectiles" and on 23 May 2013 on "CoVaR in very high dimensions". On 10 June 2013 he held a lecture at the University of Hannover on "CoVaR with very high dimensional Variables".

Andrija Mihoci (B1) presented in Motzen the "Cross Country Evidence for the EPK Paradox" and he participated at the 33rd International Symposium on Forecasting in Seoul, South Korea. The ISF conference was organized by the International Institute of Forecasters and took place at the KAIST College of Business from 24 to 26 June 2013. At a conference session organized by Professor Ying Chen from the National University of Singapore, he presented a talk entitled "Local Adaptive Multiplicative Error Models for High-Frequency Forecasts".

Nikolaus Hautsch (B8) and Peter Malec (B8) participated in the SoFiE Annual Conference that took place in Singapore from 12 to 14 June 2013 and presented their paper "Are there Merits of High-Frequency Data in Portfolio Allocation?".

Peter Malec (B8) successfully defended his PhD-Thesis "Three Essays on the Econometric Analysis of High-Frequency Data" on 30 May 2013. Congratulations!

Alexander Ristig (B10) attended the Spring Workshop in Quantitative Methods and Risk at the University of Szczecin from 31 May to 1 June 2013 and gave a talk on "Efficient and Sparse Estimation of Copula-Based Models for Multivariate Time Series".

Michael C. Burda (C7) participated on a panel discussion "The Future of Euro" on the Faculty of Economics and Management of the Otto-von-Guericke-Universität Magdeburg on 5 June 2013. He participated on a panel discussion "Global Competition: Challenges and Opportunities for the U.S. and Germany" on the NAS & acatech "Meeting Global Challenges: German-U.S. Innovation Policy" on 11 June 2013 in Berlin. On 13 June 2013 he took part on the ESMT annual forum 2013 "The Future of Jobs" in Berlin. He attended the 6th Transatlantic Economic Dialogue as a speaker on the session "Labor Markets and the Future of Employment: Are Demographic Developments forcing Companies to revisit their Strategies" in Potsdam.

Frank Heinemann (C10) organized and lectured (together with Rosemarie Nagel, John Duffy, and Shyam Sunder) the 6th Barcelona LeeX Experimental Summer School in Macroeconomics, from 13 to 18 June 2013. He also participated in organizing the 4th LeeX International Conference on Theoretical and Experimental Macroeconomics in Barcelona from 11 to 12 June 2013 and gave a comment on the paper "Tractable Dynamic Global Games and Applications" by Mathevet and Steiner at the workshop on "Information, Competition and Market Frictions" in Barcelona, 17 to 18 June 2013.

Prof. Odening (C11) was invited as key note speaker at the Second International Agricultural Risk, Finance, and Insurance Conference to be held at Vancouver, British Columbia, Canada, on 16 to 18 June 2013. His topic was on "Challenges of Insuring Weather Risk in Agriculture".

Simone Pieralli (C11) presented his paper on "Multivariate decomposition of measured agricultural yield difference" at the 13th European Workshop on Efficiency and Productivity Analysis at Aalto University School of Business, Helsinki, Finland, from 17 to 20 June 2013, and **Christina Wagner (C11)** presented the paper of Christina Wagner, Silke Huettel, Rashmi Narayana and Martin Odening on "Dynamic Efficiency under Uncertainty: An Application to German Dairy Farms".

Matthias Ritter (C11) successfully defended his PhD thesis "Weather Risk Management with Weather Derivatives" on 12 June 2013. Congratulations!

Zhiwei Shen (C11) presented his paper "Can expert knowledge compensate data scarcity in crop insurance pricing?" at the Insurance Risk Research Conference, Insurance Risk and Finance Research Centre, Singapore on 27 June 2013.

Lars Winkelmann (C14) successfully defended his PhD-thesis "Empirical Studies on Central Banks' Expectations Management" on 20 June 2013. Dieter Nautz (C14), Markus Reiß (C12), Helmut Lütkepohl (C15) and Jürgen Wolters were members of the dissertation committee. The thesis greatly benefited from the CRC 649. Congratulations!

Helmut Lütkepohl (C15) participated in the PhD defense of Anton Velinov at the European University Institute in Florence on 7 June 2013.

AWARDS

The Faculty of Economics and Management of the Otto-von-Guericke-Universität Magdeburg has awarded Michael Burda an honorary doctorate on 5 June 2013.

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":

24.04.2013 – 23.07.2013

Dietz, Benjamin
TU Berlin

Project: *Emergence and reintegration of spin-offs*

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

13.05.2013 – 31.07.2013

Wazynski, Tim
Universität Potsdam

Project: *Financial decisions of International Companies*

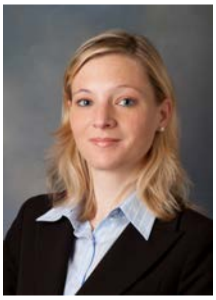
Spandauer Str. 1, room 318
phone: 2093 5895

18.04.2013 – 18.07.2013

Welchering, Sandra
TU München

Project: *Pension aggressiveness of corporations and impact of social networks on corporations discretionary spending*

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

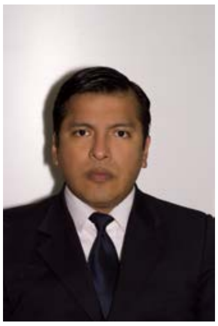


06.02.2013 – 31.07.2013

Arevilca Vasquez, Bismarck Javier
Università di Milano

Project: *Economic Growth, Balance of Payments and Structural Reforms in Bolivia. A cointegration analysis*

Spandauer Str. 1, room 318
phone: 2093 5895



07.03.2013 – 17.08.2013

Korte, Josef
Goethe University Frankfurt

Project: *Sovereign risk correlations and banks*

Spandauer Str. 1, room 318
phone: 2093 5895

18.03.2013 – 17.09.2013

Dai, Xianhua
Wuhan Institute of Technology

Project: *Nonparametric Techniques in Economics*

Spandauer Str. 1, room 312
phone: 2093 5748

04.01.2013 – 31.07.2013

Seibert, Nicolas
Universität Potsdam

Project: *Treasury Management of International Companies*

Spandauer Str. 1, room 318
phone: 2093 5895

01.06.2013 – 01.09.2013

Bierey, Martin
ESCP Europe

Project: *Accounting Dissertation*

Spandauer Str. 1, room 318
phone: 2093 5895

03.06.2013 – 03.09.2013

Braun, Steffen
TU Darmstadt

Project: *Auditor switching among German listed firms – An empirical analysis of causes and consequences*

Spandauer Str. 1, room 318
phone: 2093 5895

17.06.2013 – 10.07.2013

Chen, Yi-Hsuan
Chung Hua University

Project: *Credit Risk and Derivative Pricing*

Spandauer Str. 1, room 318
phone: 2093 5895

03.06.2013 – 30.08.2013

Moench, Emanuel
Federal Reserve Bank of New York

Project: *Forecasting through the Rear-View Mirror: Data Revisions and Bond Return Predictability*

Spandauer Str. 1, room 407
phone: 2093 5723

NEW DISCUSSION PAPERS

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

2013-032 **Barbara Choroś-Tomczyk, Wolfgang Karl Härdle, Ostap Okhrin**
"CDO Surfaces Dynamics"

2013-033 **Haiqiang Chen, Ying Fang, Yingxing Li**
"Estimation and Inference for Varying-coefficient Models with Nonstationary Regressors using Penalized Splines"

2013-034 **Haiqiang Chen**
"Robust Estimation and Inference for Threshold Models with Integrated Regressors"

2013-035 **Vladimir Spokoiny, Mayya Zhilova**
"Sharp deviation bounds for quadratic forms"

PUBLICATIONS

Lütkepohl, H., Netsunajev, A. (2013)
Disantentangling and Supply Shocks in the Crude Oil Market: How to Check Sign Restrictions in Structural VARs,
Journal of Applied Econometrics.
DOI: 10.1002/jae.2330

Brüggemann, R., Lütkepohl, H. (2013)
Forecasting contemporaneous aggregates with stochastic aggregation weights,
International Journal of Forecasting.
DOI: 10.1016/j.ijforecast.2012.05.007

Proietti, T., Lütkepohl, H. (2013)
Does the Box–Cox transformation help in forecasting macroeconomic time series?,
International Journal of Forecasting.
DOI: 10.1016/j.ijforecast.2012.06.001

Nickl, R., Reiß, M. (2012)
A Donsker theorem for Lévy measures,
Journal of Functional Analysis, 263, 3306-3332.
DOI: 10.1016/j.jfa.2012.08.012

Reiß, M. (2013)
Testing the characteristics of a Lévy process,
Stochastic Processes and their Applications 123(7), Special Issue International Year of Statistics, 2808-2828.
DOI: 10.1016/j.spa.2013.03.016

Spokoiny, V., Zhilova, M. (2013)
Sharp deviation bounds for quadratic forms,
Mathematical Methods of Statistics
DOI: 10.3103/S1066530713020026

CRC STAFF

At this point the Collaborative Research Center 649 "Economic Risk" wants to present Aleksei Netsunajev, staff member of project C15 "Structural Vector Autoregressive Analysis".

Aleksei Netšunajev joined the Endowment Chair of the Bundesbank at the Freie Universität of Berlin School of Business and Economics on 1 June 2013 as a postdoctoral researcher. Before that, he did his PhD study at the European University Institute (EUI) in Florence, Italy. His field of interest is in time series analysis, with an emphasis on vector autoregressive models. At the EUI his supervisor was Helmut Lütkepohl.

In his thesis Aleksei focused on how heteroskedasticity present in the data can help to identify economic shocks of interest in structural vector autoregressions. The defense of the thesis took place in March 2013.
His current research focuses on further development of the methodology related to identifying shocks of interest via heteroskedasticity. Specifically he is interested in applying the methods to analyze the US and Euro Area monetary policy.
As a hobby Aleksei collects and builds scale models of cars and trucks. (AN)

QUOTE OF THE MONTH

"In three words I can sum up everything I've learned about life: it goes on."

Robert Frost (1874–1963)

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 eighth Newsletter 2013 is 29.07.2013.