



# NEWSLETTER

**No. 6**  
5 June 2014

**Humboldt-Universität zu Berlin  
Collaborative Research Center 649  
Spandauer Straße 1  
10178 Berlin – Germany**

**Editorial:  
CRC 649 Office  
Phone: +49 (0) 30 2093 5708  
Fax: +49 (0) 30 2093 5617  
E-Mail: [sfb649@wiwi.hu-berlin.de](mailto:sfb649@wiwi.hu-berlin.de)**

**Office: Room 309**

**<http://sfb649.wiwi.hu-berlin.de>**

**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, 2.00 – 4.00 p.m.

2 June 2014

**Andreas Antrup**

(Head of Data Intelligence at Zalando GmbH)

- 1) "Payment Conversion Optimisation"
- 2) "Quantitative Methods and Business"

16 June 2014

**Ilse Lindenlaub**

(EU Institute)

"Sorting Multidimensional Types: Theory and Application"

30 June 2014

**Tobias Berg**

(Bonn University)

"Playing the devil's advocate: The Causal Effect of Risk Management on Loan Quality"

**SCHUMPETER SEMINAR**

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

3 June 2014

**Matthias Parey**

(University of Essex)

"The Selection of High-skilled Migrants"

10 June 2014  
Heilig-Geist-Kapelle

**Joel L. Horowitz**

(Northwestern University)

"What Is Econometrics (and How Is It Related to Statistics)?"

(award of honorary doctorate)

17 June 2014

**Bartosz Maćkowiak**

(European Central Bank)

"Business Cycle Dynamics under Rational Inattention"

24 June 2014

**Luba Petersen**

(Simon Fraser University)

"Liquidity Traps and Central Bank Communication: Theory and Experiments"

**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 – 12.00 a.m.

4 June 2014

**Dennis Kristensen**  
(University College London)  
"What Drives the Yield Curve?"

11 June 2014

**Yoosoon Chang**  
(Indiana University)  
"Regime Switching Model with Endogenous Auto-  
regressive Latent Factor"

18 June 2014

**Piotr Kokoszka**  
(Colorado State University)  
"Functional Framework for High Frequency Finan-  
cial Data with Focus on Regression and Predictabil-  
ity of Intraday Price Curves"

**CURRENT EVENTS**

More information can be found here:

[http://sfb649.wiwi.hu-berlin.de/fedc/events\\_actual.php](http://sfb649.wiwi.hu-berlin.de/fedc/events_actual.php)

10 June 2014

**What Is Econometrics (and How Is It Related  
to Statistics)?**

Location: HU Faculty of Business and  
Economics, Spandauer Str.1,  
Heilig-Geist-Kapelle

Time: 4.00 p.m.

11 June 2014

**Berliner Kolloquium zur Wirtschaftsgeschich-  
te - "Die Geschichte der Wirtschaftswissen-  
schaften an der Humboldt-Universität zu Ber-  
lin" (Speaker: Till Düppe)**

Location: HU Faculty of Business and  
Economics, Spandauer Str.1,  
room 220

Time: 6.00 p.m.

## NEWS OF THE CRC

7 to 9 May 2014

### Energy Finance Workshop 2014

For the third time the annual Energy Finance Workshop took place in the beautiful village of Stolberg in the Harz. Thirteen participants from the Ladislaus von Bortkiewicz Chair of Statistics, Department of Agricultural Economics, Humboldt-Universität zu Berlin and the Chair for Energy Trading and Finance, University of Duisburg



Workshop-participants during dinner

Essen presented their on-going research in a friendly and inspiring atmosphere. Energy markets are developing rapidly, with new marketplaces emerging globally for electricity, weather and emissions. The Energy Finance workshop Stolberg 2014 focused on recent trends in modelling and management of risk in energy markets. The topics included, but were not limited to renewable energy, emission trading, commodity markets, weather risk and applied advanced statistical methods.



Sports and group activities

As part of the workshop the participants jointly tried to fulfil the requirements for the German *Sportabzeichen*.

From the HU participated: Wolfgang Härdle, Martin Odening, Thijs Benschop, Matthias Ritter, Franziska Schulz, Zhiwei Shen. The next workshop will take place from 27 to 30 April 2015. All presentations and more information can be found [here](#). (TB)



18 to 20 May 2014

**Workshop "Methods and Challenges in Financial Risk Measurement"**



Participants at the Workshop

Researchers from the CRC 823 "Statistical modelling of nonlinear dynamic processes" and the CRC 649 "Economic Risk" met at the second (biannual) workshop in Kloster Drübeck. This symposium was devoted to recent developments in statistics and economics. The workshops offered a great platform for intensive academic exchange in order to strengthen the collaboration between the two research groups.



The Abbey of Dübeck

Members of CRC 823 were Walter Krämer, Matthias Arnold, Denis Belomestny, Holger Dette, Benedikt Funke, Maarten van Kampen, Martin Wagner, Dominik Wied and Jeannette Woerner. The CRC 649 team was represented by Wolfgang Karl Härdle, Ostap Okhrin, Weining Wang, Andrija Mihoci, Lukas Borke, Shih-Kang Chao, Piotr Majer and Dedy Dwi Prastyo (projects B1, B10 and RDC).

During the event 17 presentations were followed by a formal discussion. Biking, lunch walk, dinner and coffee breaks offered another opportunity for the exchange of many research ideas. Alice Black, Clemens Heine, Helmut Herwatz and Mathias Vetter joined the meeting.

Our CRC 649 group would like to express deep gratitude to CRC 823 and especially to the local organisers for this great event!

(AC and PM)

19 to 20 May 2014

### **Humboldt Distinguished Lecture Series in Applied Mathematics: Topics in Financial Stability (Speaker: Paul Glasserman)**

This year's Humboldt Distinguished Lecture Series in Applied Mathematics dealt with topics in financial stability and systemic risk and were held by Paul Glasserman. He talked about problems of mathematical modeling that arise from efforts to enhance the stability of the financial system. The lectures addressed contingent capital for banks in the form of debt that converts to equity when a bank nears financial distress. The participants got to know about contingent capital which offers a promising potential solution to the problem of banks that are too big to fail, but the design of these securities and the trigger for conversion turns out to be surprisingly delicate and raises interesting questions of broader scope.

Paul Glasserman is the Jack R. Anderson Professor of Business at Columbia Business School, where he is research director of the Program on Financial Studies. Since 2011, he has also served as a consultant to the Office of Financial Research, a new agency within the U.S. Treasury department created to collect data and undertake research and analysis to enhance financial stability and promote best practices in risk management. His research recognitions include the INFORMS Lanchester Prize, an IMS Medallion from the Institute of Mathematical Statistics, and the Erlang Prize in Applied Probability. He is also a recipient of Risk magazine's Quant of the Year Award.

The Humboldt Distinguished Lecture Series take place annually in collaboration with the /Berlin Mathematical School/, the DFG Research Center MATHEON, the SFB 649 "Economic Risk" and the /Quantitative Finance Laboratory/. They are organized by Prof. Dr. Ulrich Horst, Chair of Applied Financial Mathematics at Humboldt-Universität zu Berlin. (SB)

## **NEWS OF THE PROJECTS**

**Radosveta Ivanova-Stenzel (A6)** held a talk on "Buy-It-Now Prices in eBay Auctions - The Field in the Lab" at the Annual Meeting of the Sozialwissenschaftlicher Ausschuss des Vereins für Socialpolitik, which took place in Berlin from 8 to 10 May 2014.

**Roland Strausz (A8)** presented his paper "The effectiveness of taxation and feed-in tariffs" co-authored with Fabio Antoniou at the Kiel University on 19 May 2014.

**Hanna Wielandt (A9)** gave a talk on "Technological Change and its Differential Impact on Native and Foreign Employment and Wages" at the third international TASKS conference at the Institute for Employment Research (IAB) in Nuremberg, which took place from 26 to 28 May 2014.

**Ulrich Horst (A11), Wolfgang Härdle (B1) and Brenda Lopez Cabrera (C11)** have applied successfully for the Humboldt-Princeton Strategic Partnership Grant to the Committee constituted by the International Strategy Office (Humboldt-Universität zu Berlin) and the Council for International Teaching and Research (Princeton University). Henceforth additional support through funding will be available for future projects. Congratulations!

**Wolfgang Härdle (B1)** has given a talk on "CEAD - Cluster, Estimate, Activate and Decide on Portfolio Decisions and Brain Reactions" at University Regensburg

on 5 May 2014 as well as on "TEDRIS - Tail Event Driven Risk Structures" at the Stolberg Energy Finance Conference (joint with Duisburg-Essen UNI) on 7 May 2014. In collaboration between the University of Cambridge and the Institute for New Economic Thinking he also has given talks on "Copulae and Time Varying Non-Gaussian Dependency Structures" at Trinity College, Cambridge, from 28 to 29 May 2014.

**Andrija Mihoci (B1)** presented at the "Methods and Challenges in Financial Risk Measurement" workshop in Drübeck that has been organized jointly by the CRC 823 and CRC 649 research groups from 18 to 20 May 2014. Following the Drübeck workshop, he presented during the "First Berlin-Singapore Workshop on Quantitative Finance and Financial Risk" from 21 to 24 May 2014. The former workshop originated from the cooperation between the National University of Singapore and the Humboldt-Universität zu Berlin. His talks were about "Adaptive Order Flow Forecasting with Multiplicative Error Models".

**Alexander Ristig (B10)** presented the joint work with Nikolaus Hautsch (B8) and Ostap Okhrin (B10) on "Efficient Iterative Maximum Likelihood Estimation of High-Parameterized Time Series Models" at The Centre for Financial Risk, Macquarie University (Sydney) on 30 May 2014.

**Michael C. Burda (C7)** held a lecture on "Research Questions and Research Methods in Modern Economics" at the Friedrich-Ebert-Foundation in Berlin on 3 May 2014. Also he gave a presentation on "Germany's Success in its Competitiveness, on the Labour Market and the Role of Wage Formation" to a group of 14 Finnish economists in Berlin on 8 May 2014. Michael C. Burda attended the "Search and Matching Annual Conference 2014" in Edinburgh from 9 to 10 May 2014 and gave a talk on "Payroll Taxes, Social Insurance and Business Cycles". He participated on the workshop "Policy Advice in Germany: A Portrait" at the Otto-von-Guericke-Universität Magdeburg on 17 May 2014. He held a lecture on "The Good, the Bad and the Ugly" to students of the Hertie School of Governance on 21 May 2014 in Berlin.

**Steffen Ahrens (C10)** participated at the 2014 Annual Meeting of the Scottish Economic Society in Perth, Scotland, from 28 to 30 April and presented his paper "A Theory of Price Adjustment under Loss Aversion". Additionally, Steffen participated in the Advanced Studies Program Workshop of the Kiel Institute for the World Economy in Kiel, Germany on 22 May 2014 and discussed the paper "The Role of Sentiment in the Provision of Credit" by Björn O. Meyer (Universidad Autónoma de Madrid and Kiel Institute for the World Economy).

**Ciril Bosch-Rosa (C10)** was invited to present at the Systemic Risk Centre at the London School of Economics at the Frontiers of Systemic Risk Modelling and Forecasting workshop at London School of Economics and Political Science 6 May 2014. He also participated at the London Experimental Workshop at Middlesex University London from 12 to 15 May 2014.

**Frank Heinemann (C10)** organized and participated in the annual meeting of the Sozialwissenschaftlicher Ausschuss des Vereins für Socialpolitik in Berlin from 8 to 10 May 2014. He was an invited discutant at a workshop on the implications of behavioral economics for macroeconomic modelling at the Hans-Böckler-Stiftung on 6 May 2014.

**Matthias Ritter (C11)** was invited to give a talk on "Management of Weather Risk with Weather Derivatives" in the seminar series of agricultural economics at the Leibniz Institute of Agricultural Development in Transition Economies (IAMO) in Halle on 13 May 2014.

**Aleksei Netsunajev (C15)** has presented the paper "Identifying Monetary Policy Shocks via Heteroskedasticity: a Bayesian Approach" on the 10th BMRC-DEMS Conference on Macro and Financial Economics/Econometrics at Brunel University, London, on 29 May 2014.

## GUESTS OF THE CRC 649

You find a summary about all guests here:  
[http://sfb649.wiwi.hu-berlin.de/fedc/guests\\_actual.php](http://sfb649.wiwi.hu-berlin.de/fedc/guests_actual.php)

11.04. –  
20.07.2014 **Tan, Frank**  
(University College Dublin)

Project: *Co-movements of Idiosyncratic Volatilities in G7 Countries*

Spandauer Str. 1, room 311



12.04. –  
09.07.2014 **Ni, Xinwen**  
(Singapore Management University)

Project: *Tail Event Driven Asset Allocation*

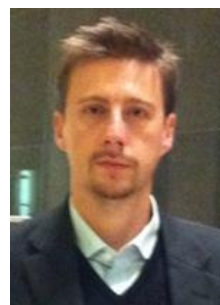
Spandauer Str. 1, room 318  
Phone: 2093 5895



13.05. –  
17.07.2014 **Milunovich, George**  
(Macquarie University)

Project: *Modeling time varying volatilities and correlations with applications to portfolio management and risk measurement, financial crisis contagion processes and real estate markets, identification and estimation of structural models*

Freie Universität Berlin, Boltzmannstr. 20  
Room: K37





01.06. –  
31.07.2014

**Guo, Mengmeng**  
(Southwestern University of Finance and Economics)

Project: *Quantile and expectile regressions, nonparametric and semiparametric analysis, extreme weather events analysis.*



01.06. –  
16.07.2014

**Chen, Yi-Hsuan**  
(Chung Hua University)

Project: *The integration of credit default swaps markets*

Spandauer Str. 1, room 318  
Phone: 2093 5895



## NEW DISCUSSION PAPERS

- 2014-026** Shih-Kang Chao, Wolfgang Karl Härdle, Hien Pham-Thu  
"Credit Risk Calibration based on CDS Spreads"
- 2014-027** Gunda-Alexandra Detmers, Dieter Nautz  
"Stale Forward Guidance"
- 2014-028** Shih-Kang Chao, Katharina Proksch, Holger Dette, Wolfgang Härdle  
"Confidence Corridors for Multivariate Generalized Quantile Regression"
- 2014-029** Christopher Boortz, Stephanie Kremer, Simon Jurkatis, Dieter Nautz  
"Information Risk, Market Stress and Institutional Herding in Financial Markets: New Evidence through the Lens of a Simulated Model"
- 2014-030** Brenda López Cabrera, Franziska Schulz  
"Forecasting Generalized Quantiles of Electricity Demand: A Functional Data Approach"

## PUBLICATIONS

- Ahrens, S. and Sacht, S. (2014)**  
"Estimating a High-Frequency New-Keynesian Phillips Curve",  
*Empirical Economics*, 46(2), 607-628.  
DOI: 10.1007/s00181-013-0684-7

## QUOTE OF THE MONTH

"Creativity requires the courage to let go of certainties."

Erich Fromm (1900 – 1980)

Please also note that the newsletter is published on the homepage of the CRC 649.

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**The CRC 649 – Newsletter is published at the beginning of each month.  
Editorial deadline for the seventh Newsletter 2014 is 27.06.2014.**