



NEWSLETTER

No. 03
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**Humboldt-Universität zu Berlin
Collaborative Research Center 649
Spandauer Straße 1
10178 Berlin – Germany**

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

Office: Room 309

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

CURRENT EVENTS

More information can be found here:

http://sfb649.wiwi.hu-berlin.de/fedc/events_actual.php

26.-27. Mar. 2015 **19th Conference: Theories and Methods in Macroeconomics**

Location: Spandauer Str. 1, Wirtschaftstheorie II (Makro)

NEWS OF THE CRC

22. January 2015 **DAAD accepts CENTRAL-Application**

As part of its "Strategic Partnerships" programme, the German Academic Exchange Service (DAAD) has approved the fund application – ca. 1 Mio EUR between 2005-2018 – submitted by Humboldt-Universität zu Berlin for the Central European Network for Teaching and Research in Academic Liaison (CENTRAL). The funded schemes, consisting of various interdisciplinary teaching and research projects, e.g., summer schools, joint seminars, cross-faculty collaboration, involve scientists from the following partner universities: the University of Warsaw, the University of Vienna, the Charles University in Prague and the Eötvös Loránd University in Budapest.

The CRC 649 contributed here with a project entitled "Modelling Dependencies in Ultra-High Dimensions" with funding approximately 57,500 EUR. Research focus of the project is on systemic risk and extreme events modelling. One of the key projects' milestone is the expansion of our cooperation within the digital science field, i.e., by an implementation of two digital platforms: Quantnet and MMStat. We would like to thank the team of the International Strategy Office at the Humboldt-Universität zu Berlin, as well as Petra Burdejova (B1), Andrija Mihoci (B1) and Piotr Majer (formerly B1) for their significant contribution.

13. February 2015 **Opening of the HU "Eltern Kind Zimmer"**



On the 13th of February 2015, the second parent-child room of the Humboldt-Universität zu Berlin was opened in the newly renovated West Wing of the main building, Unter den Linden 6, room 3093, which was financed by the CRC 649. The Vice President for Academic and International Affairs, Prof. Kämper-van den Boogaart, and the CRC 649 Coordinator,

Prof. Härdle, gave the opening speech and thanked all participants for this particular form of initiative for family friendliness.

CRC 649 herewith underlines the importance of equal opportunities and family-friendliness, the compatibility of family and the workplace, for such an important institution as the parent-child room. The room is furnished with a sofa, game carpets, children's furniture, a workplace, books and toys, a bottle warmer, nappy-changing facilities, a sink and many others.

All CRC members have a prior right to use the room. The key can be received from the Familienbüro or warden, Unter den Linden 9, or directly from the CRC 649 office.



NEWS OF THE PROJECTS

Dorothea Kübler (A6) presented the paper "College Admissions with Entrance Exams: Centralized versus Decentralized" at University of Paris I Sorbonne on the 12th of February.

Suvi Vasama (A8) attended the Australasian Economic Theory Workshop in Melbourne from 12th to 13th of February. She presented her paper Real Options and Dynamic Incentives that is joint work with Eduardo Faingold from Yale University. She also visited the University of Queensland from 18th to 25th of February where she presented the paper in a seminar.

Wolfgang Härdle (B1) together with **Alla Petukhina (B1)** received a travelling grant from Strategic Initiative Funding for Internationalisation of Humboldt Universität zu Berlin. The grant provides support for the research project on portfolio allocation strategies and risk management launched in collaboration with National University of Singapore. Congratulations on this achievement!

Hien Pham-Thu (B1) gave birth to a little boy: Adomas Pham Dudoitis. Our warmest wishes and the very best!

Piotr Majer (B1) has left the CRC 649. We want to thank him for his resourceful work and wish him all the best for his future and scientific forthcome!

Petra Burdejova (B1) and **Thijs Benschop (C11)** recently started their 6-month traineeship at European Central Bank in Frankfurt/Main. Both of them are located at Directorate-General Statistics, which is responsible for development, production and dissemination of statistics and statistical indicators required for monetary policy and other ECB tasks.

Maria Grith (B1) became a citizen of the Federal Republic of Germany. Congratulations!

Ostap Okhrin (B10) started working in his W3 Professorship in Statistics and Econometrics at the Transportation department of the Technische Universität Dresden. We wish him all the best for his new job!

Michael C. Burda (C7) visited the Economics Department at Royal Holloway University of London from 1st to 14th of February for a research stay by Prof. Daniel Hamermesh. On the 11th of February he presented there a seminar lecture "Not working at work: Loafing, unemployment and labor productivity".

Frank Heinemann (C10) participated in the annual meeting of the Ausschuss für Geldpolitik und -theorie, 20th to 21st of February in Zürich. He presented his paper "Central Bank Reputation, Transparency and Cheap Talk as Substitutes for Commitment: Experimental Evidence".

Philipp Pfeiffer (C10) participated in the 2015 Zurich Initiative on Computational Economics (ZICE15) at the University of Zurich, Switzerland, from the 28th of January to the 5th of February, 2015. From the 18th to the 21st of January, he visited the Finance Center Münster for a joint research project.

Martin Odening (C11) has been invited as keynote speaker on "Risk management in agriculture and horticulture – some current issues and challenges" at the International WeGa Symposium "Horticultural Production - Safety and Predictability", Freising-Weihenstephan, on the 26th of February.

Zhiwei Shen (C11) was invited to give a presentation on "Agricultural Insurance in China: Challenges and Innovations" at Agro Underwriting Meeting of Munich Re on the 23rd of February.

Till Strohsal (C14) presented his paper "Are US Inflation Expectations Re-Anchored?", co-authored with **Dieter Nautz (C14)**, on the 3rd of February at the Potsdam Research Seminar in Economics.

Prof. Helmut Lütkepohl (C15) has given a seminar on 'Structural Vector Autoregressions with Smooth Transition in Variances - The Interaction Between U.S. Monetary Policy and the Stock Market' at the Christian-Albrechts-Universität Kiel on 5th of February. He is visiting Monash University, Sydney, from 16th of February to 12th of March and has given a short course on 'Identifying Structural Vector Autoregressive Models via Changes in Volatility' on 24th of February.

NEW DISCUSSION PAPERS

- 2015-006** "Cognitive Bubbles" by Ciril Bosch-Rosay, Thomas Meissnerz and Antoni Bosch-Domènech, February 2015.
- 2015-007** "Stochastic Population Analysis: A Functional Data Approach" by Lei Fang, Wolfgang K. Härdle, February 2015.
- 2015-008** "Nonparametric change-point analysis of volatility" by Markus Bibinger, Moritz Jirak, Mathias Vetter, February 2015.
- 2015-009** "From Galloping Inflation to Price Stability in Steps: Israel 1985–2013" by Rafi Melnick, Till Strohsal, February 2015.
- 2015-010** "Estimation of NAIRU with Inflation Expectation Data" by Wei Cui, Wolfgang K. Härdle, Weining Wang, February 2015.
- 2015-011** "Competitors In Merger Control: Shall They Be Merely Heard Or Also Listened To?" by Thomas Giebe and Miyu Lee, February 2015.

PUBLICATIONS

Strausz, R. and Krähmer, D.

Optimal Sales Contracts with Withdrawal Rights
Review of Economic Studies
DOI: 10.1093/restud/rdv003

Chen, S., Härdle, W. and Jeong, K.

Recurrent support vector regression for a non-linear ARMA model with applications to forecasting financial returns
Computational Statistics
DOI: 10.1007/s00180-014-0543-9

Majer, P., Mohr, P., Heekeren, H. and Härdle, W.

Portfolio Decisions and Brain Reactions via the CEAD method
Psychometrika
DOI: 10.1007/s11336-015-9441-5

Cao, X., Okhrin, O., Odening, M. and Ritter, M.

Modelling spatio-temporal variability of temperature
Computational Statistics
DOI: 10.1007/s00180-015-0561-2

Benndorf, V., Kübler, D. and Normann, H.

Privacy concerns, voluntary disclosure of information, and unraveling: An experiment
European Economic Review
DOI: 10.1016/j.eurocorev.2015.01.005

QUANTLETS

More detailed information is available [here](#).

QuantNet update

Starting from February all Quantlets are available and uploaded on the new server [here](#) and the Quantnet project has its own dedicated webserver. This technical upgrade significantly increases the capability of the project and provides a few benefits, such as higher reliability and performance of the search process as well as future sustainability.

The new technical base also allows implementing an innovative sophisticated interface [QNet 2.0 \(Beta\)](#) developed by the RDC team. QNet 2.0 provides another insight into the Quantnet, which is designed for integrated exploring and navigating using document similarities and semantics.

Three Quantlets [MVAQnetClusKmeans](#), [MVAQnetClusKmeansB](#) and [MVAQnetClusKmeansT](#) provide basic principles of techniques for keyword similarities for better document clustering. The description of methodology can be found in the textbook [Härdle, W., Simar, L. \(2007\). Applied Multivariate Statistical Analysis, Springer, Berlin](#)

Quantlet [MVAQnetClusKmeans](#) feeds-in keyword similarity data of quantlets, from book ["Applied Multivariate Statistical Analysis"](#) and [BCS project](#). These data are based on cosine similarity and term-term correlations. The so called Generalized Vector Space Model uses the term-term correlation matrix for best transformation and applies the k-means algorithm for clustering and representation via multi-dimensional scaling. The figure 1 demonstrates the clustering behavior of quantlets which are represented by their id numbers.

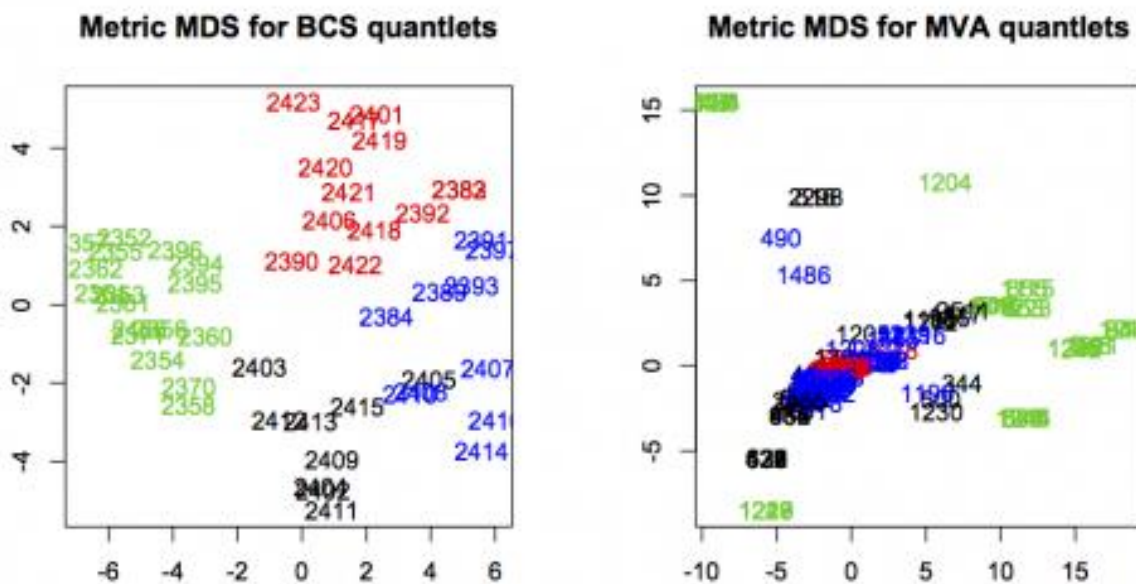


Figure1. Metric MDS for BCS and MVA quantlets

QUOTE OF THE MONTH

"When written in Chinese, the word 'crisis' is composed of two characters. One represents danger and the other represents opportunity."

John F. Kennedy (1917 – 1963)

危机 (weiji) ≙ crisis ⇒ 危 (wei) ≙ danger ; 机 (ji) ≙ opportunity

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 second Newsletter 2015 is 30.01.2015.**