



# **NEWSLETTER**

**No. 04**  
09. April 2015

**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](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.

### **SCHUMPETER SEMINAR**

Location: Spandauer Str. 1, room 23

Time: every Tuesday, 4.00 – 6.00 p.m.

### **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.

## 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)

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

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

## NEWS OF THE CRC

31. March 2015 **Humboldt Research Award of the Alexander von Humboldt Foundation**

The Humboldt-Universität zu Berlin is proud to announce that Professor Oliver Linton, Cambridge University is the 2015 laureate of the Humboldt Research Award of the Alexander von Humboldt Foundation. The prize is awarded to outstanding scientists who have been distinguished by the substantial impact they have achieved in their areas of expertise.

Oliver Linton is a Fellow of Trinity College and Professor of Political Economy at Cambridge University. His areas of expertise span nonparametric and semiparametric methods, as well as Financial Econometrics. He is perhaps most recognised for his contributions to nonparametric estimation

of additive models and to the origins of discrete and continuous time volatility models.

Oliver Linton is the seventh HU recipient of the Award. Previous winners have been: Ya'acov Ritov, The Hebrew University of Jerusalem (2008); Jianqing Fan, Princeton University (2006); Francis Diebold, University of Pennsylvania (2004); Joel Horowitz, University of Iowa (1999); Raymond Carroll, Texas A&M University (1995).

## 02. April 2015      **Financial article dataset now available at RDC**

The financial article dataset is now available at RDC. The dataset contains 116,691 financial articles and additional meta-data such as publishing date and mentioned stock symbols. The articles have been published on the Nasdaq Community platform in the time from October 20, 2009 to October 13, 2014 by several contributors such as social media websites and investment research firms. The data was collected by using a self-written web scraper to automate the downloading process.

## **NEWS OF THE PROJECTS**

**Radosveta Ivanova-Stenzel (A6)** organized the 4. Berlin IO Day. It took place on 13<sup>th</sup> of March, 2015, at the Technical University of Berlin.

**Roland Strausz (A8)** presented his paper "Optimal Sales Contracts with Withdrawal Rights" at the Annual Meeting of the Committee for Industrial Economics, taking place 25<sup>th</sup> to 27<sup>th</sup> of February in Berlin. He further presented his paper "Ineffective feed-in subsidies and consumer taxation" at the Final Symposium of the CREW Project, Climate Policy in a reluctant World – Options for Unilateral Action and stronger Cooperation, taking place there from 23<sup>rd</sup> to 24<sup>th</sup> of March in Potsdam. He moreover co-organized the 4<sup>th</sup> Berlin IO Day, which took place on 13<sup>th</sup> of March at the Technical University of Berlin.

**Dominika Gałkiewicz (A13)** presented her paper on „Manager Characteristics and Credit Derivative Use by U.S. Corporate Bond Funds” in the finance seminar at the Auckland University of Technology/New Zealand on the 25<sup>th</sup> of February.

Dominika Gałkiewicz successfully defended her dissertation on “Regulation, Leverage and Derivative Use by Mutual Funds” on the 23<sup>rd</sup> of March. We congratulate Dominika Gałkiewicz and wish her all the best for the professorship at the University of Applied Sciences Kufstein/Austria starting from 1<sup>st</sup> of April 2015!

**Wolfgang Härdle (B1)** presented "TEDRIS - Tail Event Driven Risk Structures" at the Sim Kee Boon Institute for Financial Economics (SKBI), Singapore Management University (SMU) on the 9<sup>th</sup> of March. Professor Härdle has also given a talk on "CIX - a Cryptocurrency Index" at the Tsinghua University (THU, People's Republic of China), the 16<sup>th</sup> of March. Further talks given by Professor Härdle were "Distillation of News Flow into Analysis of Stock Reactions" and "TENET - Tail Event driven NETWORK risk", both on the 18<sup>th</sup> of March at the Academia Sinica (Republic of China), "DYFIN DYNAMIC FORWARD INTENSITY CURVES", on the 19<sup>th</sup> of March at the National Dong Hwa University (NDHU, Republic of China), "Tail Event Driven Asset Allocation: Mutual funds' and Stocks' markets", on the 24<sup>th</sup> of March at the Tamkang University (TKU, Republic of China), "FASTEC - FACTORISABLE SPARSE TAIL EVENT CURVES", on the 27<sup>th</sup> of March at the National Sun Yat-sen University (NSYU, Republic of China), "Q3, D3, LSA", on the 30<sup>th</sup> of March at the National Chengchi University (NCCU, Republic of China), "FASTEC - Factorisable Tail Event Curves", on the 1<sup>st</sup> of May at the National Chiao Tung University (NCTU, Republic of China).

**Dedy Dwi Prastyo (B1)** gave talk "Localizing Forward Intensities for Multi-Period Corporate Default" at Workshop on Credit Risk Modeling and Management held on the 20<sup>th</sup> of March at the National Dong Hwa University, Hualien, Taiwan. He also gave the same talk at Department of Applied Mathematics, the National Sun Yat-sen University, Kaohsiung, Taiwan, on the 27<sup>th</sup> of March 27, 2015. Mr. Prastyo visited Institute of Statistical Science, Academia Sinica, at the time in between of those two talks.

**Alexander Ristig (B10)** visited the Chair of Econometrics and Statistics esp. Transportation, Faculty of Transportation, Dresden University of Technology, from 23<sup>rd</sup> to 27<sup>th</sup> of March 2015, and presented the joint project with **Ostap Okhrin (B10)**, Jeffrey Sheen and Stefan Trück both from Macquarie University on „Financial Contagion with Penalized Copula“.

**Michael C. Burda (C7)** visited the Korea University in Seoul from 3<sup>rd</sup> to 8<sup>th</sup> of March. He held a lecture "Payroll Taxed, Social Insurance and Business Cycles" on the Macro Seminar at the Economics Department on 4<sup>th</sup> of March. Michael Burda participated as presenter and panellist on the International Conference "Prospects of Korean Reunification and its Global Economic Effects" at the Asiatic Research Institute at Korea University on 6<sup>th</sup> to 7<sup>th</sup> of March in Seoul.

From the 15<sup>th</sup> to 16<sup>th</sup> of March he took part at the 53<sup>rd</sup> Symposium of the Walter-Raymond Stiftung "Transatlantic Trade and Investment Partnership TTIP: Job and Growth Engine or Reduction of Labor and Social Standards" in Berlin.

He visited the Copenhagen Business School from 17<sup>th</sup> to 21<sup>st</sup> of March for a research stay by Prof. Battista Severgnini at the Economics Department.

Michael Burda hold a lecture on "Not Working at Work: Loafing, Unemployment and Labor Productivity" (Co-authors Katie Genadek and Daniel Hamermesh) in a research seminar at the Institute for Employment Research (IAB) on the 24<sup>th</sup> of March in Nuremberg.

From 26<sup>th</sup> to 27<sup>th</sup> of March, Michael Burda participated as Chairperson and Discussant on the "19<sup>th</sup> Conference Theories and Methods in Macroeconomics" at the School of Business and Economics. He gave also a lecture "Not working at Work: Loafing, Unemployment and Labor Productivity" on 27<sup>th</sup> of March.

**Frank Heinemann (C10)** participated in 4<sup>th</sup> Workshop on Financial Market Imperfections and Macroeconomic Performance taking place on the 4<sup>th</sup> and 5<sup>th</sup> of March in Frankfurt am Main. He visited the University of Lyon from the 9<sup>th</sup> to the 17<sup>th</sup> of March, and the Bank of England on March 18<sup>th</sup>, where he presented his paper (joint with John Duffy) on "Central Bank reputation, Transparency and Cheap Talk as Substitutes for Commitment: Experimental Evidence"

**Ciril Bosch-Rosa (C10)** was invited to give a seminar at ESADE (Business School in Barcelona) on the 20<sup>th</sup> of February, where he presented the paper "That's how we roll: an experiment on rollover risk".

**Matthias Ritter (C11)** participated at the 7th International Conference on Applied Energy from 28<sup>th</sup> to 31<sup>st</sup> of March 2015 in Abu Dhabi, United Arab Emirates, and presented the paper "A new approach to assess wind energy potential".

**Markus Bibinger (C12)** visited the University of Vienna, 11<sup>th</sup> to 13<sup>th</sup> of March, for a research stay.

**Prof. Helmut Lutkepohl (C15)** has visited Australia from 15<sup>th</sup> of February to 12<sup>th</sup> of March and has made the following seminar presentations: University of New South Wales, Sydney, 3<sup>rd</sup> of March, Seminar on "Structural Vector Autoregressions with Smooth Transition in Variances - The Interaction Between U.S. Monetary Policy and the Stock Market" Macquarie University, Sydney, 6<sup>th</sup> of March, Seminar on "Confidence Bands for Impulse Responses: Bonferroni versus Wald" Monash University, Melbourne, 10<sup>th</sup> of March, Seminar on "Structural Vector Autoregressions with Smooth Transition in Variances - The Interaction Between U.S. Monetary Policy and the Stock Market" University of Melbourne, Melbourne, 11<sup>th</sup> of March,

Seminar on "Testing for Identification in SVAR-GARCH Models: Reconsidering the Impact of Monetary Shocks on Exchange Rates"

## CRC STAFF

On behalf of the human resource management of the CRC649, many changes occurred in the recent time:

**Dominika Gałkiewicz (A13), Dedy Dwi Prastyo (B1) and Markus Bibinger (C12)** have left the CRC649. We want to thank them for their resourceful work and wish them all the best for their future and scientific forthcoming!

**Elisabeth Bommers (B1), Simon Trimborn (B1), Falk Mazelis (C7) and Martin Wahl (C12)** have joined the CRC649 team. We are happy to welcome you aboard and are looking forward to a fruitful stay!

## NEW DISCUSSION PAPERS

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

- 2015-012** "The Impact of Credit Default Swap Trading on Loan Syndication" by Daniel Streitz, March 2015.
- 2015-013** "Pitfalls and Perils of Financial Innovation: The Use of CDS by Corporate Bond Funds" by Tim Adam and Andre Guettler, March 2015.
- 2015-014** "Generalized Exogenous Processes in DSGE: A Bayesian Approach" by Alexander Meyer-Gohde and Daniel Neuhoff, March 2015.
- 2015-015** "Structural Vector Autoregressions with Heteroskedasticity" by Helmut Lutkepohl and Aleksei Netšunajev, March 2015.
- 2015-016** "Testing Missing at Random using Instrumental Variables" by Christoph Breunig, March 2015.
- 2015-017** "Loss Potential and Disclosures Related to Credit Derivatives – A Cross-Country Comparison of Corporate Bond Funds under U.S. and German Regulation" by Dominika Paula Gałkiewicz, March 2015.

- 2015-018** "Manager Characteristics and Credit Derivative Use by U.S. Corporate Bond Funds" by Dominika Paula Gałkiewicz, March 2015.
- 2015-019** "Measuring Connectedness of Euro Area Sovereign Risk" by Rebekka Gätjen Melanie Schienle, April 2015.
- 2015-020** "Is There an Asymmetric Impact of Housing on Output?" by Tsung-Hsien Michael Lee and Wenjuan Chen, Mai 2015.

## **PUBLICATIONS**

### **Jacod, J. and Reiß, M.**

A remark on the rates of convergence for integrated volatility estimation in the presence of jumps  
Annals of Statistics  
DOI: 10.1214/13-AOS1179

### **Cavalier L. and Reiß, M.**

Sparse model selection under heterogeneous noise:  
Exact penalisation and data-driven thresholding  
Electronic Journal of Statistics  
DOI: 10.1214/14-EJS889

### **Jirak, M., Meister, A. and Reiß, M.**

Adaptive function estimation in nonparametric regression with one-sided errors  
Annals of Statistics  
DOI: 10.1214/14-AOS1248

### **Strohsal, T. and Weber, E.**

Time-Varying International Stock Market Interaction and the Identification of Volatility Signals  
Journal of Banking and Finance  
DOI: 10.1016/j.jbankfin.2015.01.020

### **Adam, T. and Guettler, A.**

Pitfalls and perils of financial innovation: The use of CDS by corporate bond funds  
Journal of Banking and Finance  
DOI: 10.1016/j.jbankfin.2015.02.019

**Winkelmann, L., Bibinger, M. and Linzert, T.**

ECB Monetary Policy Surprises: Identification Through  
Cojumps in Interest Rates  
Journal of Applied Econometrics  
DOI: 10.1002/jae.2453

**Stahlschmidt, St., Härdle, W. and Thome, H.**

An Application of Principal Component Analysis on Mul-  
tivariate Time Stationary Spatio Temporal Data  
Spatial Economic Analysis  
DOI: <http://dx.doi.org/10.1080/17421772.2015.1023339>

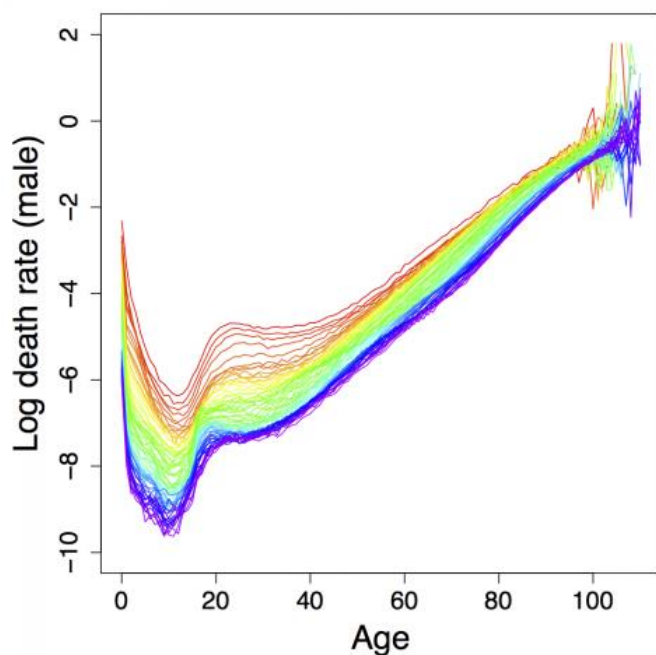
## QUANTLETS

More detailed information is available [here](#). 21 new Quantlets were up-  
loaded in the March of 2015. More detailed information is available [here](#).

### Project: SPA

In recent years, population forecasting has received wide-spread attention  
because demographic risk is understood to be an imbalance of age distri-  
bution of a society with obvious implication of economic growth, social  
stability, political decisions and resource allocation.

Figure1. Mortality and fertility rate of Japan and Taiwan.



Based on the Lee-Carter (LC) model, the bench-  
mark in population fore-  
casting, a variety of ex-  
tensions and modifica-  
tions are proposed. The  
SPA project investigates  
one of the extensions,  
the Hyndman-Ullah (HU)  
method and applies it to  
Asian demographic data  
sets: China, Japan and  
Taiwan. They combine  
ideas of functional princi-  
pal component analysis

(fPCA), nonparametric smoothing and time series analysis. Based on this  
stochastic approach, the demographic characteristics and trends in differ-



ent Asian regions are calculated and compared. They illustrate that China and Japan exhibited a similar demographic trend in the past decade. The project also compares the HU method with the LC model.

The project [SPA](#) summarizes the R codes on Quantlet based on the discussion paper from Ladislaus von Bortkiewicz Chair of Statistics: [Fang, L., Härdle, W. K. \(2015\). Stochastic Population Analysis: A Functional Data Analysis. SFB 649 DP 2015-007](#). With the Quantlet of SPA project, the main results of these papers could be replicated.

The quantlet [SPAdemodescriptive](#) plots time series graphs of mortality and fertility of Japan and Taiwan based on historical data sets

## QUOTE OF THE MONTH

"When the wind of change blows,  
some build walls while others build windmills."

Li Keqiang (\*1955)

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 second Newsletter 2015 is 30.01.2015.**