NEWSLETTER

CRC 649

Collaborative Research Center 649 „Economic Risk“

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NL 012, DECEMBER

Editorial:

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School of Business and Economics
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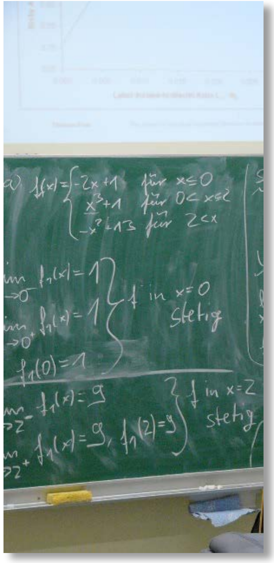
"There is no rain above the clouds"

REGULAR RESEARCH SEMINARS

Economic risk seminar

Location: Spandauer Str. 1, room 23
Time: every Monday, 2.00 – 4.00 p.m.
Schedule: Website



Schumpeter Seminar

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

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.
Schedule: Website

An overview is available at:

sfb649.wiwi.hu-berlin.de/fedc/seminars.php

CURRENT EVENTS

More information can be found here:

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

16. December 2015

Hilda Geiringer Lecture

CRC 649
Please consult the schedule of the event for further informations.

PAST EVENTS

18. November 2015 **Jour Fixe Fall 2015**

The last Jour fixe of 2015 started with a welcome to the many CRC guests and a presentation by Wolfgang Härdle and Janine Tellinger-Rice about the DFG's "transferprojects" which every CRC member can apply for.

Our guest Linlin Niu from Xiamen University then gave a plenary talk followed by another plenary talk of CRC members Daniel Neuhoff and Lukas Borke updating everyone on GitHub and Quantnet. The complete program can be found here http://sfb649.wiwi.hu-berlin.de/fedc/events_actual.php .

After the coffee break during which many took the opportunity to discuss current research, three more parallel sessions followed. The Jour fixe Fall was concluded by the meeting of the CRC project leaders.

NEWS OF THE PROJECTS

Dorothea Kübler (A6) gave a talk in the seminar of the DFG research group "Design and Behavior" at the University of Cologne on "Self-confidence and unraveling in matching markets" on the 3rd of November, as well as at the Erich Schneider Research Seminar of the University of Kiel / IfW on the 16th of November. She also attended the Tax Day, held by the Max Planck Institute for Tax Law and Public Finance in Munich, on the 9th of November 2015, and gave a talk on "College Admissions with Entrance Exams: Centralized versus Decentralized".

Roland Strausz (A8) presented his paper "A Theory of Crowdfunding - a mechanism design approach with demand uncertainty and moral hazard" at the workshop on auctions and procurement design in Cologne on the 10th of November.

Ulrich Horst (A11) visited the Institute for Mathematical Economics at Bielefeld University on the 13th of November and King's College London on the 25th to the 26th of November. On the 25th of November he gave a presentation on "Conditional Analysis and a Principal Agent Problem" at LSE.

Wolfgang Karl Härdle (B1) met with Alice Blanck (Statistics Editorial Department of Springer Verlag) to discuss SFB-Transfer Projects T2 and T3 (Deutsche Bank) on the 4th to the 5th of November in Heidelberg. Transfer projects are a means of continuing chosen SFB-649 TP's after the conclusion of SFB-649 (in December of 2016) by using finance and support from external sponsors. Furthermore he was a member of the jury at the annual Scope Awards (Scope Ratings AG) ceremony on the 5th of November at Frankfurt/Main. On the 19th and the 20th of November he joined the meeting in Grünheide to establish the concept and parameters of a new project on "DEDA – Digital Economy & Decision Analytics". Lastly Professor Härdle presented a study entitled "FASTEC – FActorisable Sparse Tail Event Curves" at the Max-Planck-Institut für Demografisches Forschung in Rostock.

Lei Fang (B1) presented "Stochastic Population Analysis: A functional Data Approach" at the Max-Planck-Institut für Demografisches Forschung in Rostock.

Michael C. Burda (C7) gave presentations "Not working at work: Loafing, Unemployment and Labor Productivity" on the 3rd of November in the Seminar Series of the Research Program on Development and Utilization of Human Resources of the School of Business and Economics at Maastricht University, and on the 5th of November in the Research Seminar in Economics at the Freie Universität Berlin. On the 12th of November he was the Chair of the disputation "Poor versus rich – How to deal with the inequality of the market economy?" between Prof. Marcel Fratzscher (President of the DIW Berlin) and Prof. Dr. Christoph Schmidt (President of the RWI Essen) of the School of Business and Economics at the Humboldt-Universität zu Berlin.

Frank Heinemann (C10) presented a paper on "Deriving the Global Game Selection in Games with many Actions and Asymmetric Players" at the economics research seminar at the Karlsruhe Institut für Technologie on the 12th of November.

Matthias Ritter (C11) attended the "24. Windenergietage" in Linstow and gave a talk on "Erstellung eines Windenergie-Index anhand von MERRA-Daten" (Designing a wind energy index based on MERRA data) on the 11th of November.

Helmut Luetkepohl (C15) has participated in the conference on "Advances in Time Series and Forecasting" in Paris from the 5th to the 6th of November and has presented a paper entitled: "Structural Vector

Autoregressions with Smooth Transition in Variances: The Interaction Between U.S. Montary Policy and the Stock Market". On the 6th of November he also participated in the Workshop for Søren Johansen in Copenhagen.

GUESTS OF THE CRC 649

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

01.08.2015 - 30.08.2016

Chen, Yi-Hsuan Cathy
Chung-Hua University (TW)

Project: The integration of credit default swaps markets

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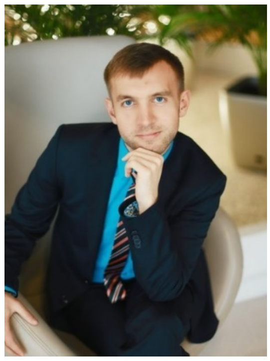
01.08.2015 - 31.05.2016

Filipkov, Yuriy
Odessa I.I. Mechnikov National University (UA)



Project: Management of scientific research and education and its societal modeling, financing and practical implementation of research and development

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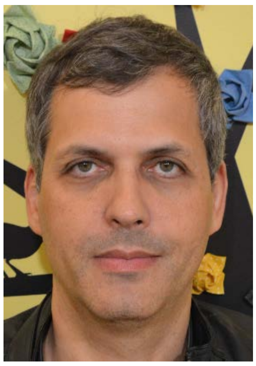
02.09.2015 - 29.02.2016

Feijó, Ricardo
University of São Paulo (BR)



Project: Numerical simulations on the dynamics and Stochastic General Equilibrium Approach: an exercise in MATLAB program.

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02.09.2015 - 29.02.2016

Niu, Linlin
Xiamen University (CN)

Project: Macro-finance, Applied econometrics, International economics

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NEW DISCUSSION PAPERS

More detailed information is available here.

2015-050

"Nonparametric Estimation in case of Endogenous Selection" (File)
by Christoph Breunig, Enno Mammen and Anna Simoni

2015-051

"Frictions or deadlocks? Job polarization with search and matching frictions" (File)
by Julien Albertini, Jean Olivier Hairault, François Langot and Thepthida Sopraseuth

2015-052

"lCARE - localizing Conditional AutoRegressive Expectiles" (File)
by Xiu Xu, Andrija Mihoci and Wolfgang Karl Härdle

Publications

More detailed information is available here.

C12

Altmeyer, R. and Bibinger, M.
Functional stable limit theorems for quasi-efficient spectral covolatility estimators

Stochastic Processes and their Applications
DOI: 10.1016/j.spa.2015.07.009

Quantlets

Reversible Jump Markov Chain Monte Carlo Sampler for Autoregressive Moving Average Models

Project: RJMCMC

Reversible Jump Markov Chain Monte Carlo (RJMCMC), pioneered by Peter Green in 1995, is a method to construct Markov Chain Monte Carlo samplers for posterior distributions not only spanning the parameter space associated with a particular model, but instead the union space between the model space and the associated parameter spaces. Using RJMCMC, the model space is explored efficiently by avoiding to spend much time analyzing models with low posterior probability. Based on the output from RJMCMC, posterior distributions for any model statistics can easily be calculated while at the same time accounting for posterior model uncertainty. More in-depth discussions of this implementation can be found in Neuhoff (2015) and Meyer-Gohde and Neuhoff (2015).

All corresponding Matlab codes and datasets can be found here in Quantnet on github.com.

Quantlet estimateARMA.m provides a sampler for zero-mean stationary ARMA(p,q) models of unknown order. The design is akin to a trans-dimensional version of the Random Walk Metropolis-Hastings sampler. The user can provide own prior and proposal distributions, as well as likelihood functions, if desired. Instructions for doing so are provided with the sampler. Note, that the lag polynomials of the ARMA models are reparametrized in terms of (inverse) partial autocorrelations. The Quantlet outputs some posterior statistics, as well as some convergence diagnostics. Additional posterior statistics are easily computed from the sampler output.

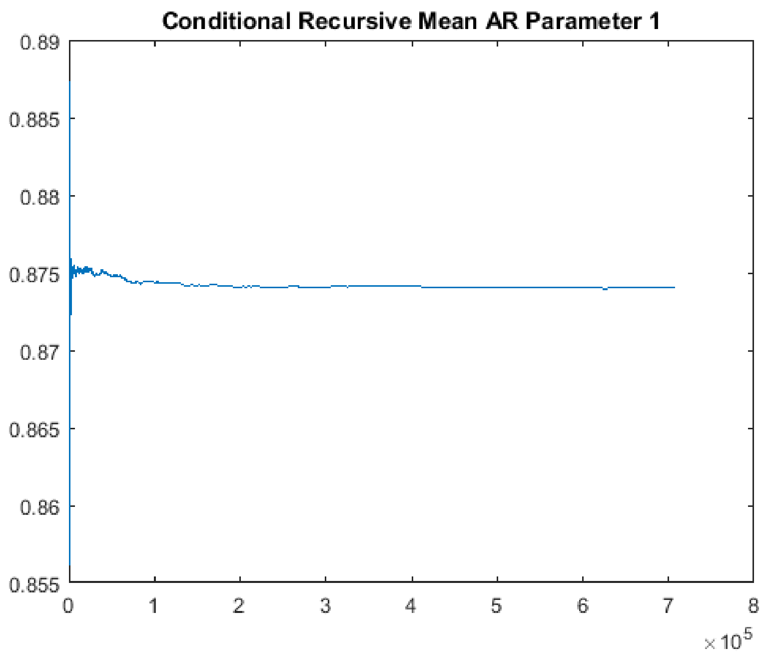

Figure 1: CUSUM statistic for the first partial autocorrelation
of the autoregressive polynomial for the model at the mode in (p,q) space.

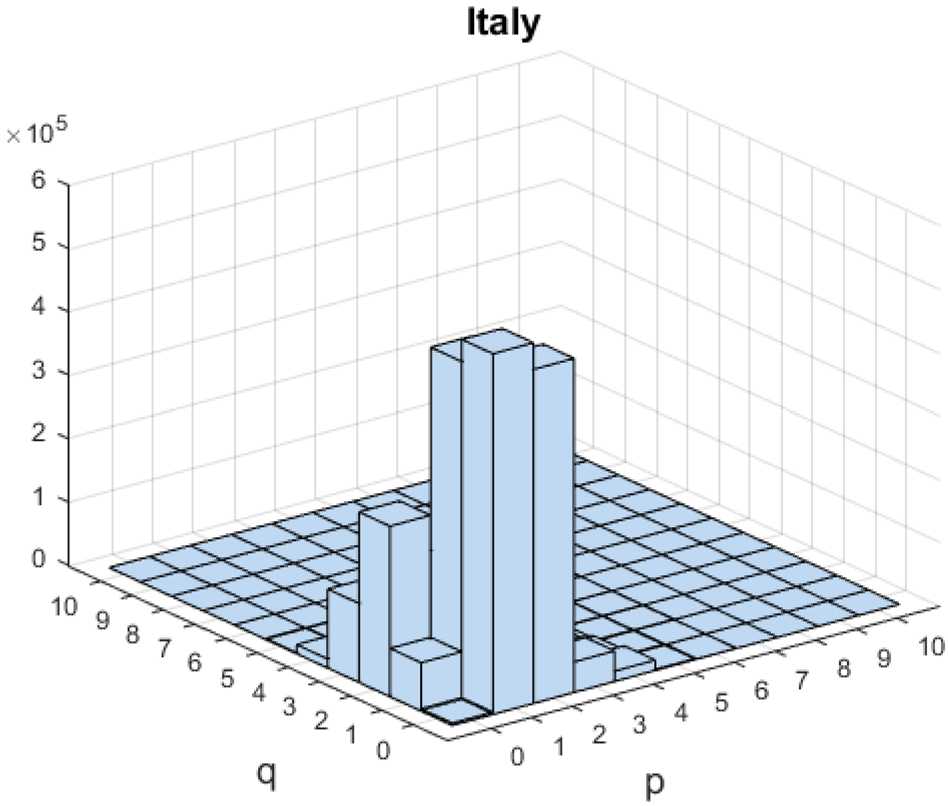

Figure 2: Posterior distributions over the model space for growth rates of Italian GDP.
P denotes the order of the autoregressive polynomial, and q the order of the moving average polynomial.

Season Greetings

Dear colleagues and friends of the CRC649,

Once again an eventful year is drawing to a close. During the Holiday Season more than ever, our thoughts turn gratefully to those who have made our progress possible.

We value our relationship with you and we are very much looking forward to continuing our successful partnership with you in the coming year.

2016 will bear the burden of bringing our combined effort and the effort of all the previous researchers who have worked in the CRC649 team, to a distinguished conclusion; with that in mind, we wish all our students, postgraduates, doctorands and researchers all the best for 2016 with the best possible scientific results next year and in the future.

And in this spirit we also say, simply but sincerely **Thank You** and **Best Wishes** for the Holiday Season and a **Happy New Year!**

Warm greetings
Your Z-Team

From left to right:
Alona Zharova, Raphael Reule, Marius Sterling, Hanna Thielcke, Lukas Mogge, Dominik Prugger, Janine Tellinger-Rice

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

Editorial deadline for the Newsletter of January 2015 is 01.01.2016.