FORECASTING FINANCIAL MARKETS:
ADVANCES FOR EXCHANGE RATES,
INTEREST RATES AND ASSET MANAGEMENT

Paris 2, 3 and 4 June 2004

Conference Programme

Programme Chairs:
Christian Dunis
(CIBEF and Liverpool Business School)

Michael Dempster
(Judge Institute, University of Cambridge)

Franck Bancel
(ESCP-EAP, Paris)

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Modelling with high frequency data
Fund management and trading rules
Funds of funds and balanced funds
Advances in asset management and portfolio optimisation
Relative value and market neutral strategies
Modelling volatility and correlation
Risk analysis and credit trading
Derivatives pricing models and real options
Day 1: Wednesday 2 June 2004

08:00  Registration and Coffee
08:45  Opening Address

SESSION 1 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION (I)
09:00  Optimal Portfolio Allocation Under Higher Moments, E. Jondeau, Banque de France and M. Rockinger, HEC Lausanne.
09:30  Tracking Error in Multistage Portfolio Models, D. Barro and E. Canestrelli, Università Ca’ Foscari, Venezia.
10:00  How Risky is your Portfolio? Does the Tracking Error Provide the Right Answer?, F. Bourgoin, Barclays Global Investors, London.
10:30  Exhibits and Coffee
10:45  Mortality Risk and Real Optimal Asset Allocation for Pension Funds, F. Menoncin, Università di Brescia and O. Scaillet, HEC Genève.
11:15  Stylized Facts and Statistical Modelling of the Fama-French Factor Portfolios, A. Beltratti, Università Bocconi, Milan, and C. Morana, Università del Piemonte Orientale, Novara.
11:45  Home Bias in European Countries within a Bayesian Framework, H. Asgharian and B. Hansson, Lund University, Sweden.
12:15  Lunch and Exhibits

PARALLEL SESSION 2 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION (II)
14:00  Fund Management, Intellectual Capital, Intangibles and Private Disclosure, J. Holland, University of Glasgow.
14:30  The Use of Active Currency Management and Managed Futures Investments within a Traditional Portfolio: Preliminary Evidence of Potential Benefits to UK Investors, K. Tee, Glasgow Caledonian University.
15:00  Is Time-Varying Conditional Skewness Really Important in Mutual Funds Evaluation, R. Rodríguez and D. Moreno, Universidad Carlos III, Madrid.
15:30  Exhibits and Tea
17:15  Close of session

PARALLEL SESSION 3 – INVESTMENT AND TRADING STRATEGIES
15:00  Optimal Holding Period for Active Stock Index Trading, J. Miao, Liverpool John Moores University.
15:30  Exhibits and Tea
16:15  Speculative Trading Strategy of Buying Crude Oil for Refinery on Spot Market, P. Domijan, INA Rijeka Lube Oil Refinery, D. Kalpic and I. Petrovic, University of Zagreb.
16:45  High Return Correlations in Emerging Markets: Are They Symptoms of Exploitable Arbitrage and Market Inefficiency? Evidence from Germany, Mexico, Thailand and Turkey, K. Dew, Isik University, Istanbul.
17:15  Close of session
Day 2: Thursday 3 June 2004

08:30  Coffee

PARALLEL SESSION 4 - CAPITAL MARKETS AND ASSET PRICES
09:00  Testing CAPM on Individual Stocks in the FTSE100, J. Thompson, Liverpool John Moores University.
09:30  The Stability and Convergence of Sequential Capital Investment Model, S. Zuo, Nottingham University.
10:00  An Analysis on the Spanish Classification of Mutual Funds, D. Moreno, Universidad Carlos III, P. Marco, Universidad de Valencia and I. Olmeda, Universidad de Alcalá.
10:30  Exhibits and Coffee
10:45  Bank Credit and Seasonal Anomalies in China's Stock Markets, E. Girardin, Université de la Méditerranée, Aix-en-Provence, and Z. Liu, People’s University of China, Beijing.
11:15  Size and Book to Market Factors: Futher Evidence from the French Case, S. Lajili, Université de Paris-Dauphine.
12:15  Lunch and Exhibits

PARALLEL SESSION 5 - ADVANCED MODELLING TECHNIQUES (I)
09:00  Dynamic Conditional Correlation Models: Block Structures and Markov Switches for Contagion Analysis, M. Billio and M. Caporin, Università Ca’ Foscari, Venezia.
09:30  Bayesian Inference on Dynamic Models with Latent Factors, M. Billio and R. Casarin, Università Ca’ Foscari and D. Sartore, GRETA Associati, Venezia.
10:30  Exhibits and Coffee
10:45  Chaos and Non-Linear Value at Risk: Application to the NIKKEI Returns Series, C. Kyrtsou, University of Macedonia and University of Montpellier I, and V. Terraza, University of Luxembourg.
11:45  Non-linear Analysis of Shocks when Financial Markets are Subject to Changes in Regimes, B. Maillet, M. Olteanu and J. Rynkiewicz, Université Paris I.
12:15  Lunch and Exhibits

PARALLEL SESSION 6 - BOND, INTEREST AND FOREIGN EXCHANGE MARKETS
14:00  How Well Do Models of Stock Market Volatility Forecast at Longer Horizons?, B. Raunig, Oesterreichische Nationalbank, Vienna.
14:30  Bootstrapping the Economy: A Non-Parametric Method of Generating Consistent Future Scenarios, U.A. Müller, P. Blum and Å. Wallin, Converium Ltd, Zürich.
15:00  Should Central Banks Talk to the FX Markets?, M. Beine, Université de Bruxelles, G. Janssen, Katholieke Universiteit Leuven, and C. Lecourt, Université de Namur.
15:30  Exhibits and Tea
15:45  Unrated Corporate Bond Credit Spread Factors, G. Gabbi and A. Sironi, Università L. Bocconi, Milan.
16:15  Corporate Bond Market Behaviour, I. Rebelo and D. Hughes, London Metropolitan University.
16:45  Short-Term Forecasts for Corporate Bonds Spreads, P. Bussoli, Nextra Investment Management, Milan.
17:45  Close of session

PARALLEL SESSION 7 - ADVANCED MODELLING TECHNIQUES (II)
14:00  Tree-Structured Smooth Transition Autoregressive Models, J. Rosa, Federal University of Parana, M. Medeiros and A. Veiga, Pontifical Catholic University of Rio de Janeiro.
14:30  Is Momentum Due to Data-Snooping?, J. Ericsson and A. González, Stockholm School of Economics.
15:30  Exhibits and Tea
15:45  A Semimartingale Model for the Euro Overnight Index Average, C. Pozzi, Tufts University, Boston, and A. Roncoroni, ESSEC Business School, Paris.
17:45  Close of session
Day 3: Friday 4 June 2004

08:30 Coffee

PARALLEL SESSION 8 - DERIVATIVES, OPTIONS AND VOLATILITY MODELLING (I)
09:00 Estimating and Forecasting Volatility with Large Scale Models: Theoretical Appraisal of Professionals’ Practice, P. Zaffaroni, Banca d’Italia, Rome.
09:30 Utilising Implied Volatility Data from Index Options in Forecasting Volatility, J. Laws, Liverpool John Moores University.
10:00 Pricing and Hedging Options in Incomplete Markets: Idiosyncratic Risk, Systematic Risk and Stochastic Volatility, T. Chauveau and H. Gatafou, Université Paris I.
10:30 Exhibits and Coffee
10:45 The Volatility of the Instantaneous Spot Interest Rate Implied by Arbitrage Pricing: A Dynamic-Bayesian Approach, R. Bhar, University of New South Wales, C. Chiarella, H. Hung, University of Technology, Sydney, and W. Runggaldier, Università di Padova.

12:15 Lunch and Exhibits

PARALLEL SESSION 9 - FORECASTING IN FINANCIAL MARKETS
09:00 Advances in Forecasting Using Neural Networks, H.G. Zimmermann, R. Grothmann and Ch. Tietz, Siemens AG, Münich.
09:30 Extended Switching Regression Models with Time Varying Probabilities for Combining Forecasts, A. Freminger, U. Ben-Zion and D. Wettstein, Ben-Gurion University of the Neguev, Beer-Sheva, Israel.
10:00 Can Earnings Forecasts Be Improved by Taking into Account the Forecast Bias?, F. Dossou, S. Lardic and K. Michalon, Sinopia AM.
10:30 Exhibits and Coffee
10:45 Forecasting the Euro/Dollar Exchange Rate: Are International Parities Useful?, S. Sosvilla-Rivero, FEDEA and Universidad Complutense de Madrid and E. Garcia, FEDEA, Madrid.
12:15 Lunch and Exhibits

SESSION 10 - DERIVATIVES, OPTIONS AND VOLATILITY MODELLING (II)
14:00 A Real Options Study of Strategic Alliances: Value of the Option to Expand and Contract, L.D. Johnson and W. Suo, Queen’s University, Kingston, Canada.
14:30 Hedging Euribor Futures, C. Adcock, Z. Purewsuren and P. Turner, University of Sheffield.
15:30 Exhibits and Tea
16:15 Modelling Long Memory and Asymmetry in Exchange Rate Volatility: A Multivariate Garch Approach with Time-Varying Correlations, K.Y. Ho, Cornell University, and A. Tsui, National University of Singapore.
17:15 End of Conference

Publication of Papers:
Conference papers will be available on the Conference Proceedings Cd-Rom, a copy of which will be given to each delegate. Authors are also invited to submit their work to the European Journal of Finance (E.J.F.) which will publish a special proceedings issue containing selected papers from the Conference.
Conference Venue:
ESCP-EAP
79, Avenue de la République
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Registration Fees:
Standard delegate fee: EUR 1000. Academics are entitled to a 50% discount (letter on University letterhead required). The fee includes all refreshments and lunches.
All participants including presenters are responsible for their own travel and accommodation expenses.
Authors of the papers selected for the Conference are asked to pay a nominal fee of EUR 125 to cover expenses.
In the case of a paper with multiple authorship, the reduction applies to a single presenter only.
A Conference dinner is organised on Thursday 3 June 2004 for which there will be an additional fee of EUR 35 (please register on site on the first day of the Conference).

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Exhibitors:
We have a spacious exhibition area available throughout the Conference. For further information and costs, please contact Christian Dunis at cdunis@totalise.co.uk or on +44 (0)20 7228 6128.

Hotel Accommodation:
We recommend that delegates who wish to attend the Conference book a room as soon as possible as many conferences are taking place in Paris in June. Hotel information is available on our website www.cibef.com.

Any further questions relating to the Conference can be addressed to:
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