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

Aix-en-Provence, 30, 31 May and 1 June 2007

Conference Programme

Programme Chairs:
Christian Dunis (CIBEF and Liverpool John Moores University)
Michael Dempster (Judge Business School, Cambridge University)
Eric Girardin and Anne Péguin-Feissolle (GREQAM and Université Aix-Marseille II)

Modelling with high frequency data and market microstructure

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

Sponsors:
Day 1: Wednesday 30 May 2007
SESSION 1 - FORECASTING IN FINANCIAL MARKETS
08:00 Registration and Coffee
08:45 Opening Address
09:00 Is Survey Information Helpful to Improve Forecasting Performance, H. Ma, I. Nolte and W. Pohlmeier, University of Konstanz, Germany.
09:30 Modelling and Forecasting Financial Time Series of “Tick Data” by Functional Analysis and Neural Networks, S. Dablemont, S. Van Bellegem, M. Verleysen, Université Catholique de Louvain, Belgium.
10:00 Forecasting "High" and "Low" of Financial Time Series by Particle Systems and Kalman Filters, S. Dablemont, S. Van Bellegem, M. Verleysen, Université Catholique de Louvain, Belgium.
10:30 Exhibits and Coffee
11:15 Informativeness of Order Flow: the Role of Institutions, E. Girardin, Université de la Méditerranée, Aix-en-Provence, France, and W. K. Wong, Tamkang University, Taiwan.
11:45 Forecasting under Asymmetric Loss Functions, V. Arekelian, University of Cyprus, Cyprus and E. Tzavalis, Athens University of Economics and Business, Greece.
12:15 Lunch and Exhibits
PARALLEL SESSION 2 - EQUITY MARKETS (I)
14:00 A Model for Time Varying Betas, C. Adcock, University of Sheffield, UK, M. Ceu Cortez, M. J. Rocha Armada and F. Silva, University of Minho, Braga, Portugal.
14:30 Pairs Selection and Outranking, N. Huck, Université de Nancy, France.
15:00 Exhibits and Tea
15:45 Nonlinear Forecasts of Stock Indexes Dividends in the G7 Countries, F. Jawadi, ESC Amiens School of Management, Amiens, France.
16:15 Temporal Aggregation and Systematic Sampling Effects on Non Linear Granger Causality Tests between Trade Volume and Returns, E. Tserkezos, National Technological Institute of Athens, and D. Tserkezos, University of Crete, Greece.
16:45 Close of session
PARALLEL SESSION 3 - DERIVATIVES, OPTIONS AND VOLATILITY MODELLING
13:30 How Much Compensation for Volatility in Interest Rate Derivatives?, F. Fornari, European Central Bank, Frankfurt, Germany.
15:00 Exhibits and Tea
15:15 Forecasting Stock Price Volatility, A. Rahou, H. Al-Madfai, A. Ware, H. Coombs and D. Gilleland, University of Glamorgan, UK.
16:45 Close of session
17:45 Guided Tour of Aix-en-Provence
Day 2: Thursday 31 May 2007
08:30 Coffee

PARALLEL SESSION 4 - BOND PRICES AND INTEREST RATES
09:00 Corporate Bond Portfolio Management: An Application of Quasi-Newton Methods to the Nelson-Seigel-Svensson Models, T. Kenc, University of Bradford, UK.
09:30 Discrete-Time Affine Term Structure Models: an ARCH Formulation, M. Maggi, A. Carta and D. Fantazzini, Universita di Pavia, Italy.
10:00 Exponential or Logistic Smooth Transition Cointegration in the Term Structure of Interest Rates? A case of a Transition Economy, J. Bruzda, Nicolaus Copernicus University, Torun, Poland.
10:30 Exhibits and Coffee
10:45 Investigating the Corporate Spread: a Non-Parametric Approach, C. Peroni, University of Manchester, UK.
11:15 Measuring the Risk Premium of Corporate Bonds: Evidence from Panel Data Analysis, Y. Kagraoka, GREQAM, Marseille, France and Musashi University, Tokyo, Japan.
11:45 On the Persistence of the Eonia Spread, D. Nautz and U. Hassler, Goethe University, Frankfurt, Germany.
12:15 Lunch and Exhibits

PARALLEL SESSION 5 - EQUITY MARKETS (II)
09:00 The Business Cycle and the Equity Risk Premium in Real Time, R. Kizys, University of York, UK, and C Pierdziech, Saarland University, Saarbrücken, Germany.
10:00 Predicting Equity Premium in a Bayesian Time Varying Parameter Model, G. Gadzinski, International University of Monaco, Monaco.
10:30 Exhibits and Coffee
11:45 The Contagion of the Asian Crisis: A Correlation Approach Analysis, E. Essaadi and W Khallouli, Université de Tunis, Tunisia.
12:15 Lunch and Exhibits

PARALLEL SESSION 6 - ADVANCED MODELLING TECHNIQUES (I)
14:00 Stochastic Volatility Models and the Taylor Effect, E. Ruiz, Universidad Carlos III de Madrid, A. Mora-Galan, Unión Fenosa Gas, and A. Pérez, Universidad de Valladolid, Spain.
14:30 Backtesting Value-at-Risk Based on Tail Losses, W. K. Wong, Tamkang University, Taiwan.
15:00 Irregularly Spaced Intraday Value-at-Risk (ISIVaR) Models: Forecasting and Predictive Abilities, S. Tokpavi, University of Orléans, France.
15:30 Exhibits and Tea
15:45 Risk Neutral and Actual Default Probabilities with an Endogenous Bankruptcy Jump-Diffusion Model, O. Le Courtois, EM Lyon Graduate School of Management and F. Quittard-Pinon, University of Lyon 1, Lyon, France.
17:15 Multiscale Reconstruction of Time Series, A. Nawroth and J. Peinke, University of Oldenburg, Germany.
17:45 Close of Session

PARALLEL SESSION 7 - MODELLING FOREIGN EXCHANGE MARKETS
14:00 A Median Approach to Spot Foreign Exchange Rates, C. Müller, ETH, Zürich, Switzerland.
14:30 The High-Frequency Response of the EUR-US$ Exchange Rate to ECB Monetary Policy Announcements, C. Conrad and M. J. Lamla, ETH, Zürich, Switzerland.
15:00 The Role of Private Information in Return Volatility and Bid-Ask spreads in the Foreign Exchange Market, F. J. McGroarty, University of Southampton, UK.
15:30 Exhibits and Tea
15:45 Foreign Direct Investment and Exchange Rate Volatility: Further Empirical Evidence, G. Giorgioni, Liverpool John Moores University, UK.
16:15 Bootstrapping the Volatility of Real Exchange Rates, L. Copeland and S. Heravi, Cardiff Business School, UK.
16:45 A Model of Uncertainty Aversion and Regime Switching Premia: An Application to Foreign Exchange Risk Premia, L. Evans, Newcastle University, N. Joseph, Aston Business School and T. Kenc, Bradford University, UK.
17:45 Close of Session
Day 3: Friday 1 June 2007

08:30 Coffee

PARALLEL SESSION 8 - ADVANCED MODELLING TECHNIQUES (II)
09:00 A Simple Fractionally Integrated Model with a Time-Varying Long Memory Parameter, M. Boutahar, A. Péguien-Feissolle and G. Dufrenot, GREQAM, Marseille, France.
09:30 Time Reversal Invariance in Finance, G. Zumbach, Consulting in Financial Research, Saconex, Switzerland.
10:30 Exhibits and Coffee
10:45 Semi-Parametric Functional Coefficient Autoregressive Conditional Duration Model, M Fernandes, University of London, UK, M. C. Medeiros and A. Veiga, Pontifical Catholic University of Rio de Janeiro, Brazil.
11:15 Estimating Quadratic Variation when Quoted Prices Change by a Constant Increment, J. Large, University of Oxford, UK.
11:45 Combining Expectation and Risk Estimation by Neural Networks, H.G. Zimmermann, Siemens AG, Münich, Germany.
12:15 Lunch and Exhibits

PARALLEL SESSION 9 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION (I)
09:00 Household Portfolio Choices and Ageing in Italy, M. Brunetti and C. Torricelli, University of Modena and Reggio Emilia and CEFIN, Italy.
09:30 The Distribution and the Non-Arbitrage Price of the CPPI Portfolio, A. Cipollini, UBS Alternative Investments, Milan, Italy.
10:00 Expected Utility Optimal Decisions Based on Zero Inflation and Interest Credit Opportunity (ZICO), J. Rebai and F. Abid, Sfax University, Tunisia.
10:30 Exhibits and Coffee
10:45 Do Conditional Covariance Estimates Generate Value?, N. Baltutis and E. J. Dockner, University of Vienna, Austria.
11:45 VWAP at Risk, C. M. Cormack, J. Manchaldore, Econophysica Ltd., and O. Soloviev, Queen Mary University, London, UK.
12:15 Lunch and Exhibits

SESSION 10 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION (II)
14:00 Changes in G10 Correlation and their Implications for International Investors, P. Lequeux and M. Menon, ABN AMRO Asset Management, London, UK.
14:30 International Diversification of Risky Portfolios, M. Pericoli and M. Sbracia, Bank of Italy, Rome, Italy.
15:00 Commodities Futures and Portfolio Risk Diversification, J. Thompson, Liverpool John Moores University, UK.
15:30 Exhibits and Tea
15:45 Assessing the Performance of Hedge Funds Market: An Application to the Italian Hedge Funds Industry, R. Bramante, Università Cattolica del Sacro Cuore, A. Chiarello, A. Cipollini and A. Manzini, UBS Alternative Investments, Milan, Italy.
16:15 Predicting Asymmetric Monthly Fund Flows for Hedge Funds, P. Lajbcygier, Monash University, Clayton, Australia.
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: La Baume les Aix  
Chemin de la Blaque  
F-13090 Aix-en-Provence

Registration Fees:
Presenters registration fees: EUR 200 (academics) and EUR 350 (non-academics and dual academic/non-academic employment). For papers with multiple authorship, only one presenter can pay this reduced fee. Standard delegate fees: EUR 1000. Academics are entitled to a 50% discount (letter on University letterhead required). The fee includes all refreshments and lunches and a guided tour of Aix on Wednesday 30 May. All participants including presenters are responsible for their own travel and accommodation expenses. Please note that payment must be received at least one week before the Conference begins. A Conference dinner is organised on Thursday 31 May for which there will be an additional fee of EUR 40 (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@tiscali.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 Aix-en-Provence in May/June. Hotel information is available on our website www.cibef.com in the ‘FFM Conference’ section.

Any further questions relating to the Conference can be addressed to:  
- Yves Doazan, GREQAM, 2 rue de la Charité, F-13236 Marseille Cedex 02  
e-mail: doazan@univmed.fr, Telephone: +334 9114 0731, Fax: +334 9190 0227  
- Nicky Hovell, CIBEF, Liverpool John Moores University, John Foster Building, Liverpool L3 5UZ  
e-mail: n.g.hovell@ljmu.ac.uk, Telephone: +44151 231 3659, Fax: +44151 231 3234

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