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

Aix-en-Provence, 21, 22 and 23 May 2008

Conference Programme

Programme Chairs:
Christian Dunis (CIBEF and Liverpool John Moores University)
Michael Dempster (Centre for Mathematical Sciences, 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 21 May 2008
SESSION 1 - ADVANCED MODELLING TECHNIQUES (I)
08:00 Registration and Coffee
08:45 Opening Address
09:30 Principal Component Analysis Based Volume Forecasting, N. J. Manchaldore, Econophysica, London, UK.
10:00 From Infinite Time to Finite Modelling, H. G. Zimmermann, Siemens AG, Münich, Germany.
10:30 Exhibits and Coffee
10:45 The Importance of Non-Linearities and Macroeconomic Uncertainty in Stress Testing, M. Misina and D. Tessier, Bank of Canada, Canada.
12:15 Lunch and Exhibits
PARALLEL SESSION 2 - ADVANCED MODELLING TECHNIQUES (II)
13:30 To Mix Copulas or Not to Mix? That is the Question, V. Arakelian, University of Cyprus, Cyprus, and D. Karlis, Athens University of Economics, Greece.
14:00 Analytic Moments for Conditional and Aggregated GARCH Variances and Returns, C. Alexander, E. Lazar and S. Stanescu, ICMA Centre, University of Reading, UK.
14:30 A Bivariate Switching Regime Shift in Market Volatility, R. Shami, Monash University, Caulfield East, Australia.
15:00 Exhibits and Tea
15:45 From Data Modelling to History Modelling, H. G. Zimmermann, Siemens AG, Münich, Germany.
16:15 Maximum Drawdown Value at Risk, D. Edelman, University College Dublin, Ireland.
16:45 Close of session
PARALLEL SESSION 3 - EQUITY MARKETS
13:30 Stock Market Volatility and Structural Breaks, U. Hassler, Goethe University, Frankfurt, Germany.
14:00 The Predictive Power of Stock Market Returns, C. Salm, University of Münster, Germany.
14:30 Forecasting Stock Returns with Sentiment Data: The Difference Between Private And Institutional Investors, B. Zwergerl, University of Augsburg, and C. Klein, University of Hohenheim, Stuttgart, Germany.
15:00 Exhibits and Tea
15:45 European Stock Market Integration: Panel Data Convergence and Stationarity Analysis, N. Maraoub, EconomiX, Université Paris 10 Nanterre, France.
16:45 Close of session
17:45 Guided Tour of Aix-en-Provence
Day 2: Thursday 22 May 2008

08:30 Coffee

**PARALLEL SESSION 4 - FORECASTING AND TRADING SYSTEMS (I)**

09:00 Novel Stories About Forecasting International Stock Returns: Structural Breaks, Theory-Induced Restrictions and Cross-Country Linkages, M. Wilner, Goethe University, Frankfurt, Germany.

09:30 Using Copulae in Forecasting Credit Default: An Adaptive Approach, D. Pham-Hi, ECE Graduate School of Engineering, Paris, France.

10:00 Forecasting Economic and Financial Variables with Global VARs, M. Pesaran, University of Cambridge, UK, T. Schuermann, Federal Reserve Bank of New York, USA, and V. Smith, University of Cambridge, UK.

10:30 Exhibits and Coffee


11:15 Can Published Technical Analysis Predict Exchange Rate Movements in the London Intra-Day Foreign Exchange Market?, M. Cleary, Anglia Ruskin University, Cambridge, UK.


12:15 Lunch and Exhibits

**PARALLEL SESSION 5 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION**

09:00 Asset Pricing and Portfolio Selection Based on the Multivariate Skew-Student Distribution, C. Adcock, University of Sheffield, UK.

09:30 Dynamic Programming to Solve the Multiperiod Mean-Variance Portfolio Selection Problem, K. Bouwman, Erasmus University, Rotterdam, The Netherlands.

10:00 Time Varying Factor Sensitivities, R. Brown, Quantitative Finance Ltd., London, UK.

10:30 Exhibits and Coffee

10:45 Pension Fund Management, Y. Watanabe, Kochi University of Technology, Kochi, Japan.

11:15 Can the Ratings Forecast Fund’s Performance?, C. Toque and V. Terraza, University of Luxembourg, Luxembourg.

11:45 Dynamic Hedge Fund Style Analysis with Errors in Variables, L. Bodson, University of Liège, Belgium, A. Coën, UQAM, Montréal, Canada, and G. Hubner, University of Liège, Belgium.

12:15 Lunch and Exhibits

**PARALLEL SESSION 6 - FORECASTING AND TRADING SYSTEMS (II)**

14:00 Forecasting Comparison of GARCH Models versus Kalman Filter Method: Evidence From US Daily Time-Varying Data, T. Choudhry and H. Wu, University of Southampton, UK.

14:30 Forecasting High Frequency Short-Term Inflation, G. Moretti, Banca d'Italia, Rome, Italy.

15:00 Application of News Based Sentiment to Market Forecasting, G. Stiglic and P. Kokol, University of Maribor, Slovenia.

15:30 Exhibits and Tea


17:15 Market Makers as Information Providers: The Natural Experiment of STAR, P. Perotti and B. Rindi, Università Bocconi, Milan, Italy.

17:45 Close of Session

**PARALLEL SESSION 7 - MODELLING FOREIGN EXCHANGE (I)**

14:00 Analysing Currency Risk Premia, A. Rezessy, European Commission, Joint Research Centre, Brussels, Belgium.

14:30 Country Risk and Early Warnings on Contagion, S. Barthélémy and S. Lunven, TAC Financial, Saint Hilaire des Landes, France.

15:00 In Search of the Currency Risk Premium in Latin America, S. Colliac, TAC Financial, Saint Hilaire des Landes, France.

15:30 Exhibits and Tea

15:45 Day-Trading the Main Currency Pairs with a News Based Model of Exchange Rates, M. Tivegna, University of Teramo, Italy.


16:45 Detecting the Positioning of the Median Currency Manager and its Possible Implications for Future Market Dynamics, P. Lequeux, ABN AMRO Asset Management, London, UK.

17:15 Higher Order and Recurrent Neural Architectures for Trading the EUR/USD Exchange Rate, G. Sermpinis and C. Dunis, Liverpool John Moores University, UK.

17:45 Close of session
Day 3: Friday 23 May 2008

08:30 Coffee

PARALLEL SESSION 8 - MODELLING FOREIGN EXCHANGE (II)
09:00 European Central Bank Communication and the Foreign Exchange Market, E. Girardin, GREQAM, Marseille, France, T. Peltonen, European Central Bank, Frankfurt, Germany and M. Sager, University of Warwick, UK.
09:30 The Dynamic Interaction of Order Flows and the CAD/USD, N. Gradojevic and C. Neely, Federal Reserve Bank of St. Louis, USA.
10:00 A Monetary Exchange Rate Model, D. Sondermann, University of Münster, Germany.
10:30 Exhibits and Coffee
10:45 Modelling and Trading the EUR/USD Exchange Rate at the ECB Fixing, G. Sermpinis and C. Dunis, Liverpool John Moores University, UK.
11:45 Structural Change and the Implied-Realized Volatility Relation, N. Kellard, University of Essex, UK, and M. Wohar, University of Nebraska, Omaha, USA.
12:15 Lunch and Exhibits

PARALLEL SESSION 9 - BOND PRICES AND INTEREST RATES
09:00 Controllability and Persistence of Interest Rate Spreads: Evidence from Euro Area Money Market Rates, U. Busch and D. Nautz, Goethe University, Frankfurt, Germany.
09:30 Leptokurtic Properties of JGB Yield Processes, Y. Kagraoka, Musashi University, Tokyo, Japan.
10:00 An Examination of Long-Term Bond and Share Option Selling Strategies, D. Simon, Bentley College, Waltham, Mass., USA.
10:30 Exhibits and Coffee
11:15 Two-country No-Arbitrage Term-Structure Models, M. Pericoli, Banca d'Italia, Rome, Italy.
11:45 The Bond Duration-Convexity Approximation Revisited, R. Yves, ECE Graduate School of Engineering, Paris, France.
12:15 Lunch and Exhibits

SESSION 10 - DERIVATIVES, OPTIONS AND VOLATILITY MODELLING
14:00 Oil Volatility Risk and Asset Returns, M. Koubouros, City College and University of Liverpool, UK, and I. Sarantis, University of Piraeus, Greece.
14:30 Option Pricing for Nonlinear GARCH Processes, D. Kubudi and A. Veiga, Pontifical Catholic University of Rio de Janeiro, Brazil.
15:30 Exhibits and Tea
15:45 The Use of Commodity Futures Contracts in Hedging Jet Kerosene Price, J. Laws and J. Thompson, Liverpool John Moores University, UK.
16:15 Expansion Option Valuation of a Copper/Molybdenum Mine in Chile, M. Mendez, Universidad Complutense de Madrid, Spain.
16:45 Early Unwinding in Pure Arbitrage on Futures, G. Desvilles, Conservatoire National des Arts et Métiers Graduate School of Engineering, Paris, France.
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. Please note that when submitting a paper you implicitly agree to present it if accepted, and payment of registration fees will thus be required unless you withdraw by Tuesday 15 April 2008.  
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 21 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 22 May 2008 for which there will be an additional fee of EUR 40 (please register on site on the first day of the Conference).

Surname:  
Institution:  
Address:  
First name:  
Telephone:  
Fax:  
E-mail:  

Payment:
- Cheque in EUR on a French bank payable to: Association d’Econométrie Appliquée, attention Henri Serbat (re. FFM2008), 53 rue Saint Denis, 75001 Paris, France (please send by regular landmail, not registered)  
- Bank transfer to: Association d’Econométrie Appliquée  
  Bank Name: CREDIT LYONNAIS (CODE: 30002)  
  Address: Agence CL PARIS FRIEDELAND (code: 00423)  
  188, Boulevard Hausmann - 75008 Paris, France  
  Account Name: Association d’Econométrie Appliquée (Mention: FFM2008)  
  Account Number: 0000006248L  
  IBAN: FR54 3000 2004 2300 0000 6248L50  
  BIC: CRLYFRPP  
- Visa or Mastercard: Send the exact amount to be debited, your 16-digit card number, card holder name, end date and security number (last 3 digits on back of card) to Association d’Econométrie Appliquée (by landmail or at ffm2008@Fed-Eco.org)

When completed this form should be returned to:  
ffm2008@cibef.com or to Nicky Hovell, CIBEF, Liverpool John Moores University, John Foster Building, Liverpool L3 5UZ (United Kingdom), Fax: +44151 231 3234.

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:
Delegates are advised to book a room as soon as possible as many conferences take 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:  
- Marie-Hélène Roth, GREQAM, Château Lafarge, Route des Milles, 13290 Les Milles, France  
e-mail: marie-helene.roth@univmed.fr, Telephone: +334 4293 5980, Fax: +334 4293 0968  
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

Conference information can be found on our websites: www.ffm-conference.com and www.cibef.com.

Cancellation Policy: Should a delegate be unable to attend, a substitute may attend the Conference in his/her place. Notification of cancellation must be given in writing by letter or fax. Full refunds are available up to 21 days before the Conference, subsequently no refund will be given.