Conference Programme

Programme Chairs:

Christian Dunis
(CIBEF and Liverpool Business School, Liverpool John Moores University)

Michael Dempster
(Centre for Mathematical Sciences, University of Cambridge)

Eric Girardin and Anne Péguin-Feissolle
(GREQAM and Université Aix-Marseille II)

Hedging and market efficiency

Fund management and trading rules

Advances in asset management and portfolio optimisation

Forecasting and trading with neural networks

Modelling volatility and correlation

Advanced financial modelling

Derivatives pricing models and real options

Sponsors:
FORECASTING FINANCIAL MARKETS 2011
CONFERENCE PROGRAMME

Day 1: Wednesday 25 May 2011
SESSION 1 - HEDGING AND MARKET EFFICIENCY
08:00 Registration and Coffee
08:45 Opening Address
09:00 Forecasting The Hedge Ratio in Commodities and Agricultural Futures Markets: Evidence from GARCH Models, T. Choudhry and Y. Y. Zhang, School of Management, University of Southampton, UK.
10:00 Detecting Structural Breaks In Time-Varying Hedge Ratios For Agricultural Commodities Futures, S. H. Chen, Nanhua University, and W. H. Cheng, Tamkang University, Taiwan.
10:30 Exhibits and Coffee
10:45 Testing Market Efficiency in the EU Carbon Futures Market, R. Joyeux and G. Milunovich, Division of Economic and Financial Studies, Macquarie University, Australia.
11:45 Hedging vs. Speculative Pressures On Commodity Futures Returns, G. Cifarelli, University of Florence, Italy.
12:15 Lunch and Exhibits

PARALLEL SESSION 2 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION
13:30 Portfolio Returns and Manager Activity, A. G. Ekholm, Hanken School of Economics, Helsinki, Finland.
14:00 Adaptive Universal Portfolios, P. O'Sullivan and D. Edelman, University College Dublin, Ireland.
14:30 Investment Strategies Beating the Market. What can we Squeeze from the Market?, P. SäkowskI, R. Slepaczuk and G. Zakrzewski, Faculty of Economic Sciences, University of Warsaw, Poland.
15:00 Asset Allocation and Carry Trades, J. Laborda, R. Laborda and J. Olmo, Universidad Carlos III and Lorenzo-Dávila Empresa de Asesoramiento Financiero Independiente (EAFI), Madrid, Spain.
15:30 Exhibits and Tea
15:45 The Hazard-Adjusted Portfolio: A New Capital Allocation Scheme from an Extreme-Risk Management Perspective, F. Laube and V. Terraza, University of Luxembourg, Luxembourg.
16:15 Practical Weight-Constrained Conditioned Portfolio Optimisation Using Risk Aversion Indicator Signals, M. Boissaux and J. Schultz, Luxembourg School of Finance, Luxembourg.
16:45 The Economic Value of Controlling for Large Losses in Portfolio Selection, A. Dias, Warwick Business School, UK.
17:15 The Prediction of Fund Failure through Performance Diagnostics, G. Hubner, P. Cognéau and L. Bodson, HEC Management School, University of Liège, Belgium.
17:45 Close of session

PARALLEL SESSION 3 - FORECASTING AND TRADING WITH NEURAL NETWORKS
14:00 Causality Analysis in the Framework of Historical Consistent Recurrent Neural Networks, H. G. Zimmermann and R. Grothmann, Siemens AG, Munich, Germany.
14:30 Advances in Causal Retro-Causal Market Price Modelling, H. G. Zimmermann, Siemens AG, Munich, Germany.
15:00 Forecasting and Trading the EUR/USD Exchange Rate with Gene Expression and Psi Sigma Neural Networks, G. Serpinis, Bedfordshire Business School, Luton, C. L. Dunis, J. Laws and A. Karathanasopoulos, Liverpool Business School, UK.
15:30 Exhibits and Tea
16:15 Modelling and Trading the Corn/Ethanol Crush Spread with Neural Networks, C. L. Dunis, J. Laws and P. W. Middleton, Liverpool Business School, UK.
17:15 Forecasting IBEX-35 Moves Using Support Vector Machines, C. Dunis, Liverpool Business School, UK, R. Rosillo and D. De La Fuente, University of Oviedo, Spain.
17:45 Close of session

18:15 Guided Tour of the Vieux-Port
Day 2: Thursday 26 May 2011

08:00  Coffee

PARALLEL SESSION 4 - EQUITY MARKETS

08:30  Application of Game Theory on Evaluating Investment in Stocks, F. R. Roodposhti and R. E. Rasi, Islamic Azad University, Iran.
09:00  Information Cascades in The Stock Market: New Evidence from an Intra-Day Analysis, S. Kremer, Freie Universitat Berlin, Germany.
09:30  Capital Structure, Profitability and Value of Firm: An Empirical Investigation Of Large UK Firms, B. Ghimire and S. Ghumra, London School of Business and Finance, UK.
10:00  Measuring The Effect of Shocks on Linkages between Stock Markets, M. Domani, Poznań University of Economics, and R. Domani, Adam Mickiewicz University, Poznań, Poland.
10:30  Exhibits and Coffee

11:15  Early Diagnosis Of Critical Stock Price Movements, J. Jacobs, Leuphana University of Lüneburg, Germany.
12:15  Lunch and Exhibits

PARALLEL SESSION 5 - DERIVATIVES AND REAL OPTIONS

08:30  Option Pricing Via Nonparametric Esscher Transform, M. Pereira, C. Epprecht and A. Veiga, Department of Electrical Engineering, Pontifical Catholic University, Rio de Janeiro, Brasil.
09:00  Why Do We Need to Watch Out for the Standard Risk-Neutral Option Valuation?, Y. Rakotondratsimba, ECE School of Engineering, Paris, France.
10:00  The Information Content of Option-Based Forecasts of Volatility: Evidence from the Italian Market, S. Muzzioli, University of Modena and Reggio Emilia, Italy.
10:30  Exhibits and Coffee
10:45  Real Options Valuation of the License of a Copper Mine, M. Mendez, ESIC Business and Marketing School, Madrid, Spain.
11:45  An Entropy-Based Approach For Measuring Volatility: Evidence From The German Stock Market, G. Kharlamov, Goethe University Frankfurt, Germany.
12:15  Lunch and Exhibits

PARALLEL SESSION 6 - ADVANCED MODELLING (I)

13:30  Mean Reversion Based on Autocorrelation: A Comparison Using the S&P 100 Constituent Stocks and the 100 Most Liquid ETFs, J. Rudy, C. L. Dunis and J. Laws, Liverpool Business School, UK.
14:00  Identifying and Explaining the Number of Regimes Driving Asset Returns, M. Gatumel, University of Grenoble, France, and F. Ielpo, Lombard Odier Investment Managers, Geneva, Switzerland.
15:00  Mean-Variance Cointegration and the Expectations Hypothesis, T. Strohsal, Freie Universität Berlin, and E. Weber, University of Regensburg, Germany.
15:30  Exhibits and Tea
15:45  Regression Trees, Soft Information and Integrated Ratings, G. Gabbi, G. Chitarrelli, M. De Lerman and M. Matthias, Bocconi University, Milan, Italy.
16:15  Wavelet Analysis And The Term Structure Of Interest Rates, M. Kiermeier, University of Applied Sciences Darmstadt, Germany.
16:45  The Response of the Electronic European Interbank Market to the Financial Turmoil, G. Iori, City University, London, UK.
17:15  Information Cascades and Behaviour of Economic Agents, M. H. Mousavi and A. R. Arjroody, Transportation Research Institute, Tehran, Iran.
17:45  Close of Session

PARALLEL SESSION 7 - ASPECTS OF INTERNATIONAL FINANCE (I)

14:00  China’s Monetary Policy Communication: Money Markets Not Only Listen, They Also Understand, A. G. Herrero, Banco Bilbao Vizcaya Argentaria, Hong Kong, and E. Girardin, Université de la Méditerranée, Marseille, France.
14:30  The Effects of Monetary Policy on the Term Structure of Interest Rates in China, S. Lunven and E. Girardin, Université de la Méditerranée, Marseille, France.
15:00  Financial Market Crashes and Spikes in Implied Volatility, C. Baum, Boston College, USA, and DIW Berlin, Germany.
15:30  Exhibits and Tea
15:45  The Instability of the Banking Sector and Macrodynamics: Theory and Empirics, S. Mittnik, University of München, Germany, and W. Semmler, New School for Social Research, New York, USA.
16:45  The Information Content of the RBNZ Interest Rate Projections, G. A. Detmers and D. Nautz, Freie Universität Berlin, Germany.
17:45  Close of session
Day 3: Friday 27 May 2011

08:00  Coffee

PARALLEL SESSION 8 - ADVANCED MODELLING (II)

08:30  Analytic Approximations to GARCH Aggregated Returns Distributions With Applications to VaR and ETL, C. Alexander, E. Lazar, Henley Business School, Reading, and S. Stanescu, Kent Business School, Canterbury, UK.

09:00  Extreme Value Theory Versus Traditional GARCH Approaches Applied To Financial Data: A Comparative Evaluation, D. Furió and F. J. Climent, University of Valencia, Spain.

09:30  Value at Risk Estimation in a Mixture Normality Framework, R. Bramante and D. Zappa, Università Cattolica del Sacro Cuore, Milan, Italy.

10:00  Modelling Commodity Value at Risk with Psi Sigma Neural Networks Using Open-High-Low-Close Data, C. L. Dunis, J. Laws, A. Karathanasopulos, Liverpool Business School, and G. Sermpinis, Bedfordshire Business School, Luton, UK.

10:30  Exhibits and Coffee

10:45  Speed and Accuracy Comparison of Non-Central Chi-Square Distribution Methods for Option Pricing and Hedging Under the CEV Model, M. Larguinho, J. C. Dias, ISCAC, Coimbra, and C. A. Braumann, Universidade de Evora, Portugal.

11:15  The Intraday and Overnight Behaviour of SPY Options and Adjusted Delta Hedging, D. Simon, Bentley University, Boston, USA.

11:45  Common Volatility In Evolutionary Panels, G. Motta, Maastricht University, The Netherlands, and M. Barigozzi, London School of Economics, UK.

12:15  Lunch and Exhibits

PARALLEL SESSION 9 - ASPECTS OF INTERNATIONAL FINANCE (II)

08:30  Does Liquidity or Private Information Matter for International Co-movement?, Q. Chen, Credit Risk Analysis Division, Office of the Comptroller of the Currency, Washington DC, USA.

09:00  Sovereign Risk Premiums as Function of Economic Sentiment, R. Latocha, WestLB Mellon Asset Management, Düsseldorf, Germany.

09:30  Optimal Trading Rules at Hourly Frequency in the Foreign Exchange Markets, M. Tivegna and D. Pelusi, University of Teramo, Italy.

10:00  The Financing Bias of Euro-Dollar Futures, G. Desvilles, Conservatoire National des Arts et Métiers, Paris, France.

10:30  Exhibits and Coffee


11:15  Modelling and Trading the EUR-USD Exchange Rate Using a Novel Hybrid Method of Particle Swarm Optimization and Radial Basis Function Neural Networks, K. Theofilatos, S. Likothenassis, University of Patras, E. Georgopoulos, Technological Educational Institute of Kalamata, Greece, G. Sermpinis, University of Bedfordshire, Luton and A. Karathanasopulos, Liverpool Business School, UK.

11:45  Detrended Realized Volatility in The Global FX Market, A. B. Schmidt, ICAP Electronic Broking LLC, Parsippany, New Jersey, USA.

12:15  Lunch and Exhibits

SESSION 10 - ADVANCED MODELLING (III)

13:15  Invited Talk: Epidemics of Rules, Information Aggregation Failure and Market Crashes, A. Kirman, GREQAM, Marseille, France and K. Anand and M. Marsili, Abdus Salam International Center for Theoretical Physics, Trieste, Italy.

14:00  Revisiting the Excess Co-Movements of Commodity Prices in a Data-Rich Environment, Y. Le Pen, Université de Paris-Dauphine, B. Sévi, Université de la Méditerranée, Marseille, France.

14:30  Post-News Price Adjustment Speeds Vary Across Market Sectors, F. McGroarty, University of Southampton, UK.

15:00  Are Corporate News Just a Sideshow for Financial Markets or Do They Convey Useful Information?, M. Dzielinski, University of Zürich, Switzerland.

15:30  Exhibits and Tea


16:45  Common Dynamic Factors Driving Metal and Energy Prices, Y. Kagraoka, Musashi University, Tokyo, Japan.


17:45  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: Faculté de Sciences Economiques et de Gestion 14 rue Puvis-de-Chavannes F-13001 Marseille (France)

Registration Fees:

**Presenters registration fees:** EUR 300 (academics) and EUR 500 (non-academics and dual academic/non-academic employment). In the case of a paper with multiple authorship, only one presenter can pay this reduced fee. Please note that **when submitting a paper you commit to present it if accepted, and payment of registration fees will thus be required by Thursday 14 April 2011 unless you withdraw in writing before that date.**

**Standard delegate fees:** EUR 1100 (non-academics and dual academic/non-academic employment), EUR 550 (academics, letter on University letterhead required). The fee includes all refreshments and lunches. **Please note that payment of standard delegate fees must be received before 5 May 2011.**

All participants including presenters are responsible for their own travel and accommodation expenses. A Conference dinner is organised on Thursday 26 May 2011 for which there will be an additional fee of EUR 45 to be paid beforehand with your registration. In all cases, go to [www.aea-eu.org/FFM/2011](http://www.aea-eu.org/FFM/2011) and follow the relevant payment instructions.

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[ffm2011@cibef.com](mailto:ffm2011@cibef.com) or to Jason Laws, CIBEF, Liverpool John Moores University, John Foster Building, Liverpool L3 5UZ (United Kingdom), Fax: +44151 707 0423.

**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:**
Hotel and other practical information can be found on our websites: [www.cibef.com](http://www.cibef.com) and [www.ffm-conference.com](http://www.ffm-conference.com).

Any further questions relating to the Conference can be addressed to:
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**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 5 May 2011, subsequently no refund will be given.