

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

Marseille, 23, 24 and 25 May 2012

Conference Programme

Programme Chairs:

Christian Dunis
(Horus Partners Wealth
Management, Geneva and
Liverpool JMU University)

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

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

Jason Laws (University of
Liverpool Management
School)

*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

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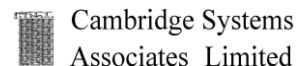
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FORECASTING FINANCIAL MARKETS 2012

CONFERENCE PROGRAMME

Day 1: Wednesday 23 May 2012

SESSION 1 - MARKETS

- 08:00** Registration and Coffee
- 08:45** Opening Address
- 09:00** *Market Response to News: Rationality and Conformism in an Euro-Dollar Exchange Rate Model. Implications for Day-trading*, G. Cagliesi, University of Greenwich, UK, A. Della Bina, University of Bologna and M. Tivegna, University of Teramo, Italy.
- 09:30** *Do Causality and Retrocausality Match Market Conditions?* H. G. Zimmermann and R. Grothmann, Siemens AG, Munich, Germany.
- 10:00** *A Conditional Assessment of the Relationships Between Commodity and Equity Indexes*, D. P. Simon, Bentley University, Waltham, USA.
- 10:30** *Exhibits and Coffee*
- 10:45** *Operational Risks and Emerging Markets*, C. L. Dunis, Horus Partners Wealth Management, Geneva, Switzerland and S. Mitra, Glasgow Caledonian University, London, UK.
- 11:15** *Examining Risk Propagation in Financial Markets*, Z. Kocsis, Magyar Nemzeti Bank, Budapest, Hungary.
- 11:45** *Out-performing the Market with Survival Analysis: Exposing the Limitations of Apparently Well Calibrated Market Traders*, J. Johnson, L. Tang, F. McGroarty and M. Sung, University of Southampton, UK.
- 12:15** *Lunch and Exhibits*

PARALLEL SESSION 2 - ADVANCED MODELLING (I)

- 13:30** *Intraday Periodicity and Macro News Effect*, B. Bedowska-Sojka, Poznan University of Economics, Poland.
- 14:00** *The Effect of Time-Varying Information Entropy on Market Uncertainty*, D. Philippas, C. Siriopoulos, University of Patras, Greece.
- 14:30** *The Existence of Jumps in Financial Time Series*, M. Kostrzewski, Faculty of Applied Mathematics, AGH, Krakow, Poland.
- 15:00** *Modelling and Trading Financial Time Series Using Neural Networks Optimized with Adaptive Evolutionary Algorithms*, K. Theofilatos, S. Likothanassis, University of Patras, Greece, E. Georgopoulos, Technological Educational Institute of Kalamata, Greece, G. Sermpinis, University of Glasgow, UK and A. Karathanasopoulos, London Metropolitan University, UK.
- 15:30** *Exhibits and Tea*
- 15:45** *Modelling Financial Contagion: Approach-Based on Asymmetric Cointegration*, L. Fofana, S. Francoise, LAMETA University of Montpellier 1, France.
- 16:15** *Measuring Financial Contagion with Extreme Coexceedances*, A. Thomadakis, University of Surrey, UK.
- 16:45** *Decorrelation Techniques in Value at Risk Estimation*, R. Bramante, Università Cattolica del Sacro Cuore, Milan, Italy and G. Dallago, Informatica Bancaria Trentina, Trento, Italy.
- 17:15** *Hedging Carbon Risk*, J. Siam, McMaster University, Hamilton, Canada and J. Sultan, Bentley University, Waltham, USA.
- 17:45** *Close of session*

PARALLEL SESSION 3 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION (I)

- 13:30** *Volatility Strategies for European Investors*, M. Brière, J. D. Fermanian, H. Malongo and O. Signori, Amundi Asset Management, Paris, France.
- 14:00** *Portfolio Selection and Liquidity Considerations*, C. Lönnbark, Umeå University, Sweden.
- 14:30** *Portfolio Selection with Spectral Risk Measures*, M. Brandtner, Friedrich Schiller University of Jena, Germany.
- 15:00** *Strategic Asset Allocation with Liabilities*, D. Giamouridis, Athens University of Economics and Business, Athens, Greece, N. Tessaromatis, ALBA Graduate Business School, Vouliagmeni, Greece, and A. Sakkas, Athens University of Economics and Business, Athens, Greece and Faculty of Finance, Cass Business School, City University, London, UK.
- 15:30** *Exhibits and Tea*
- 15:45** *Analysis of ETF Commodity Spread Portfolios - A Case of Mean Reversion*, C. L. Dunis, Horus Partners Wealth Management, Geneva, Switzerland, J. Laws and P. W. Middleton, University of Liverpool, UK.
- 16:15** *Hedging a Commodity-Linked Portfolio*, C. Ouanounou, Y. Rakotondratsimba and M. Sahnoun, ECE Paris Graduate School of Engineering, Paris, France.
- 16:45** *The Effect of Probability and Uncertainty on Hedge Fund Performance*, J. W. Muteba Mwamba, University of Johannesburg, South Africa.
- 17:15** *Designer Derivatives*, P. O'Sullivan and D. Edelman, University College Dublin, Ireland.
- 17:45** *Close of session*
- 18:15** **Guided Tour of the Vieux-Port**

Day 2: Thursday 24 May 2012

08:00 *Coffee*

PARALLEL SESSION 4 - FORECASTING (I)

08:30 *Investigation Type of Pricing Models for Forecasting Expected Rate of Return*, Z. Amirhosseini, Islamic Azad University, Tehran, Iran and M. Ghobadi, Islamic Azad University, Firozkooh, Iran.

09:00 *Forecasting and Trading the EUR/USD Exchange Rate*, C. Stasinakis, G. Sermpinis, University of Glasgow, UK and C. L. Dunis, Horus Partners Wealth Management, Geneva, Switzerland.

09:30 *Forecasting EUR/USD Implied Volatility: The Case of Intraday Data*, C. L. Dunis, Horus Partners Wealth Management, Geneva, Switzerland, N. Kellard and S. Snaith, University of Essex, UK.

10:00 *Exhibits and Coffee*

10:15 *Forecasting Financial Crises and Recoveries*, S. Barthélémy, TAC and J.-S. Pentecôte, CREM - University of Rennes 1, France.

10:45 *Non-linear Forecasting of the Gold Miner Spread: An Application of a Correlation Filter*, C. L. Dunis, Horus Partners Wealth Management, Geneva, Switzerland, J. Laws, P. W. Middleton, University of Liverpool, UK and A. Karathanasopoulos, London Metropolitan University, UK.

11:15 *Financial Crisis, the Puzzle of Dependency Modelling*, T. Berger, University of Bremen, Germany.

11:45 *Lunch and Exhibits*

PARALLEL SESSION 5 - EQUITY MARKETS

08:30 *Modelling of the Nonlinear Interdependencies on the Stock Markets: an Application to the Main European Indices*, R. Hennani and M. Terraza, LAMETA University of Montpellier 1, France.

09:00 *A Probability Study of Tunisian Stock Market Cycle*, A. Bejaoui, A. Karaa and E. Mahat, High Institute of Management of Tunis, Tunisia.

09:30 *Smile in Motion: An Intraday Analysis*, M. Wallmeier, University of Fribourg, Switzerland.

10:00 *Exhibits and Coffee*

10:15 *Study of Association Between Share Risk and Investment*, Z. Amirhosseini, M. Mirzapour, Islamic Azad University, Tehran, Iran and V. O. Okere, Providence College, Rhode Island, USA.

10:45 *Fundamentals and the Japanese Stock Prices*, W. Chen, Free University of Berlin, Germany and A. Velinov, European University Institute, Florence, Italy.

11:15 *Macro Fundamentals as a Source of Stock Market Volatility in China: A GARCH-MIDAS Approach*, E. Girardin, AMSE-GREQAM, Aix-Marseille University, France and R. Joyeux, Macquarie University, Sydney, Australia.

11:45 *Lunch and Exhibits*.

PARALLEL SESSION 6 - TRADING SYSTEMS

13:30 *A Characterization of Trading Styles*, P. Falbo and C. Pelizzari, Università di Brescia, Italy.

14:00 *Trading System Based on the Turning Points of the Price of Gold, the Price of Oil and the Consumer Sentiment Index*, E. Bellini, University of Sevilla, Spain, C. L. Dunis, Horus Partners Wealth Management, Geneva, Switzerland and A.T. Gallegos, University of Sevilla, Spain.

14:30 *Modelling and Trading the EUR/USD and EUR/GBP Exchange Rates with an Adaptive RBF-PSO Neural Network*, C. L. Dunis, Horus Partners Wealth Management, Geneva, Switzerland, J. Laws, University of Liverpool, G. Sermpinis, University of Glasgow, UK, A. Karathanasopoulos, London Metropolitan University, UK and K. Theofilatos, University of Patras, Greece.

15:00 *Intraday Range Trading of Liquid Securities with Neural Networks*, H.-J. von Mettenheim, M. H. Breitner, Leibniz Universität Hannover, Germany.

15:30 *Exhibits and Tea*

15:45 *Event-Based Technical Trading: The Importance of Speed During Macroeconomic News Announcements*, M. L. Scholtus and D. J. C. van Dijk, Erasmus University Rotterdam, Netherlands.

16:15 *Profitability of a Simple Pairs Trading Strategy: Recent Evidences from a Global Context*, J. Miao, Kingston University, UK and J. Laws, University of Liverpool, UK.

16:45 *Close of session*

PARALLEL SESSION 7 - FORECASTING (II)

13:30 *Timing Asset Market Peaks: The Role of the Liquidity Risk Cycle of the Banking System*, P. Weber, EBS Business School, Wiesbaden, Germany.

14:00 *Bivariate Adaptive Fuzzy-GARCH Model Applied to Forecasting the Dynamic Conditional Correlation of Financial Stocks Using Particle Swarm Optimization*, A. Mbairadjim Moussa, J. Sadefo Kamdem and M. Terraza, LAMETA Université Montpellier 1, France.

14:30 *Skewness and Kurtosis of EPS Forecasts*, F. Dossou, H. Honoré and S. Lardic, CNRS, UPMF, Grenoble, France.

15:00 *Forecasting Strategy Premiums Using Macroeconomic Information*, A. Farrokh and S. Burke, Phillips, Hager & North, RBC Global Asset Management, Vancouver, Canada.

15:30 *Exhibits and Tea*

15:45 *Predicting the Small Stock Premium*, V. Zakamulin, University of Agder, Kristiansand, Norway.

16:15 *Informational Content of Volume Data*, G. Ceccarossi and P. Falbo, Università di Brescia, Italy.

16:45 *A Multiplicative Error Model with Heterogeneous Components for Forecasting Realized Volatility*, H. Han, M. D. Park and S. Zhang, National University of Singapore, Singapore.

17:15 *Close of session*

Day 3: Friday 25 May 2012

08:00 *Coffee*

PARALLEL SESSION 8 - ADVANCED MODELLING (II)

08:30 *The Influence of Volatility Index in the S&P500 using Support Vector Machines*, R. Rosillo, D. de la Fuente, University of Oviedo, Spain, and J. Giner, University of La Laguna, Tenerife.

09:00 *Wavelet Analysis and the Forward Premium Anomaly*, M. Kiermeier, University of Applied Science, Darmstadt, Germany.

09:30 *A Consistent Solution for a Combined Causal-Retro-Causal Market Description*, H. G. Zimmermann and R. Grothmann, Siemens AG, München, Germany.

10:00 *Exhibits and Coffee*

10:15 *Flexible Diffusion Models and 2-Stage ML Estimation*, R. Bu and K. Hadri, University of Liverpool, UK.

10:45 *Black-Litterman Model: Clarification and Comparison*, G. Desvilles and R. Korn, Conservatoire National des Arts et Métiers, Paris, France.

11:15 *Interest Rate Sensitivities Under the G2++ Model*, Y. Rakotondratsimba, ECE Paris Graduate School of Engineering, Paris, France.

11:45 *End of Conference*

PARALLEL SESSION 9 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION (II)

08:30 *New Performance Ratio Considered of Skewness and Kurtosis*, Y. Watanabe, Kochi University of Technology, Japan.

09:00 *Diversifying Risk Parity*, H. Lohre, H. Opfer and G. Orszag, Deka Investment GmbH, Frankfurt, Germany.

09:30 *Bond Portfolio Management with Affine and Quadratic Term Structure Models: Selection, Risk Management and Performance*, G. Leblon and F. Moraux, University of Rennes 1 and CREM, France.

10:00 *Exhibits and Coffee*

10:15 *Do Corporate Bonds Reflect Their Default Risk?*, Y. Kagraoka, Musashi University, Tokyo, Japan.

10:45 *No-arbitrage CIP Bands with Risky Interest Rates*, C. Csávas, MNB (Central Bank of Hungary), Budapest, Hungary.

11:15 *Aggregation of Market Risks Using Pair-Copulas*, F. Jouad and D. Guégan, CES – Université de Paris 1, France.

11:45 *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 12 April 2012 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 4 May 2012.

All participants including presenters are responsible for their own travel and accommodation expenses. A Conference dinner is organised on Thursday 24 May 2012 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.net/FFM/2012 and follow the relevant payment instructions.

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J.Laws@liverpool.ac.uk or to Jason Laws, University of Liverpool Management School, Chatham Street, Liverpool L69 7ZH (UK), Fax: +44 151 795 3001.

Exhibitors:

We have a spacious exhibition area available throughout the Conference. For further information and costs, please contact Christian Dunis at christian.dunis@hpwmg.com or on +41 (0)79 935 0079.

Hotel Accommodation:

Hotel and other practical information can be found on our website: www.ffm-conference.com.

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

- Yves Doazan, IDEP-GREQAM, 2 rue de la Charité, F-13266, Marseille Cedex 2 (France)

e-mail: yves.doazan@univ-amu.fr, Telephone: +334 9114 0264, Fax: +334 9190 0227

- Jason Laws, University of Liverpool Management School, Chatham Street, Liverpool L69 7ZH (UK)

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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 4 May 2012, subsequently no refund will be given.