

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

Rennes, 20, 21 and 22 May 2015

A Call for Papers

Programme Chairs:

Christian Dunis
(HPWMG, Geneva and
Liverpool JMU University)

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

Sylvain Barthélémy
(TAC ECONOMICS, Rennes)

Franck Martin (Université
de Rennes I and CREM)

Jason Laws (University of
Liverpool Management
School)

Hans-Jörg von Mettenheim
(Leibniz Universität,
Hannover)

*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*

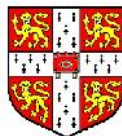
Relative value and market neutral strategies

Modelling volatility and correlation

Risk analysis and credit trading

Derivatives pricing models and real options

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FORECASTING FINANCIAL MARKETS 2015

CONFERENCE PROGRAMME

Day 1: Wednesday 20 May 2015

SESSION 1 - INTEREST AND EXCHANGE RATES

- 08:00** Registration and Coffee
- 08:45** Opening Address
- 09:00** *The Dynamics of the Debt Markets Over the Pre- and Post-OMT Periods: the role of GARCH in Mean Effects*, F. Martin and J. Zhang, CREM, Université de Rennes 1, France.
- 09:30** *Violations of the Uncovered Interest Rates Parity and International Exchange Rates Tails Dependencies*, M. Ames, G. Bagnarosa and G. W. Peters, ESC Rennes Business School, France and University College London, UK.
- 10:00** *A Hawkes' Process Based Model, for Interest Rates and Detection of Liquidity Shortages*, D. Hainaut, ESC Rennes Business School and CREST, France.
- 10:30** **Exhibits and Coffee**
- 10:45** *The Role of Bank Relationships in the Interbank Market*, A. Temizsoy, G. Iori and G. Montes-Rojas, City University, London, UK.
- 11:15** *Forecasting in the FOREX Market with Interval Time Series Using a Bayesian Approach*, C. Maté and A. Vaseková, Universidad Pontificia Comillas, Madrid, Spain.
- 11:45** *Comparing Models for an Optimal Approach for Foreign Exchange Prediction*, K. D. Bucha, Leeds Beckett University, UK.
- 12:15** **Lunch and Exhibits**

PARALLEL SESSION 2 - ADVANCED MODELLING I

- 13:30** *Levy Regime-Switching in the Americas*, J. Chevallier and S. Goutte, IPAG Business School, Paris, France.
- 14:00** *On the Financial Value of the Volatility Premium*, R. McGee and F. McGroarty, University of Southampton, UK.
- 14:30** *Modelling of Intraday Volatility, Price durations and Volume on the Warsaw Stock Exchange Using the Augmented ACD-GARCH Model*, R. Huptas, Cracow University of Economics, Poland.
- 15:00** **Exhibits and Tea**
- 15:30** *Alternative Investment Strategies and the Co-movements of Asset Returns*, G. Queffelec, CREM, Université de Rennes 1, France.
- 16:00** *Expected Return and Variance: Lambda is Alive, Positive and Significant*, J. Antell and M. Vaihekoski, Turku School of Economics, University of Turku, Finland.
- 16:30** *Option Optimal Delta Hedging*, G. Desvilles and F.-X. Dezael, Conservatoire National des Arts et Métiers, Paris, France.
- 17:00** **Close of session**

PARALLEL SESSION 3 - DATA MINING

- 13:30** *A Neural Network Approach to Forecasting Mean and Volatility of Carbon Price Returns*, A. Brauneis and A. Zeitlberger, University of Graz, Austria.
- 14:00** *The Promises of Machine Learning, Bayesian Methods and Big Data Architectures for Advancing Predictive Credit Risk Analytics in the Banking Sector*, Myriam Raymond, Université d'Angers and Université de Nantes, France.
- 14:30** *Equity Factors Horse Race*, Jozef Rudy, HAC, Malta.
- 15:00** **Exhibits and Tea**
- 15:30** *Forecasting Short-term Oil Prices Using a Combination of Data Mining Models*, S. Barthélémy and B. Trempont, TAC Economics, St. Hilaire des Landes, France.
- 16:00** *Forecasting Residual Prices in the Automotive Industry: a Macro Application of Artificial Neural Networks*, H.-J. v. Mettenheim, C. Gleue, D. Eilers and M. H. Breitner, Leibniz University of Hanover, Germany.
- 16:30** *US Yield Curve Identification and Forecasting Using Macroeconomic Determinants*, S. Barthélémy, S. Lunven and L. Toullec, TAC Economics, St. Hilaire des Landes, France.
- 17:00** **Close of session**

- 18:00** **Guided Tour of Rennes**

Day 2: Thursday 21 May 2015

08:30 *Coffee*

PARALLEL SESSION 4 - ADVANCED MODELLING II

09:00 *Modelling Housing Prices Using a Present Value State Space Models*, D. Rambaccussing, University of Dundee, UK.

09:30 *Stylized Facts of Financial Time Series and Hidden Markov Models with Time-Varying Parameters*, P. Nystrup, H. Madsen and E. Lindström, Technical University of Denmark and Sampension, Denmark.

10:00 *Evaluating Exponential GARCH Models*, J. S. Jakobsen and H. Malmsten, Aarhus University, Denmark.

10:30 *Exhibits and Coffee*

10:45 *Nonparametric Estimation of Risk-Neutral Densities via Empirical Esscher Transform*, Á. Veiga, M. Pereira, C. Epprecht and R. Costa, Pontifical Catholic University of Rio de Janeiro, Brazil.

11:15 *Currency Risk in the Brazilian Term Structure of Interest Rate by VaR Model, Between 2002 and 2014*, A. Galvão, Universidade Federal de Minas Gerais, Belo Horizonte, Brazil.

11:45 *Estimating VaR of Portfolio in Tehran Stock Exchange: Using Conditional Copula-GARCH*, M. H. Mousavi, M. Mahmoodzadeh and S. Ghavidel, Islamic Azad University, Tehran, Iran.

12:15 *Lunch and Exhibits*

PARALLEL SESSION 5 - EQUITY MARKETS

09:00 *The Impact of Equity Block Trade Transactions on Investors' Trading Activity. Evidence from the Warsaw Stock Exchange*, B. Kurek, Cracow University of Economics, Poland, H.-J. v. Mettenheim, Leibniz University of Hanover, Germany and J. Laws, University of Liverpool, UK.

09:30 *New Evidence about the Profitability of Small and Large Stocks and the Role of Volume Obtained Using Strongly Typed Genetic Programming*, V. Manahov, University of York, UK.

10:00 *Comoment Factors and the Predictability of Stock Returns*, S. Stöckl, University of Liechtenstein.

10:30 *Exhibits and Coffee*

10:45 *Forecasting Equity Premia Using Bayesian Dynamic Averaging* *Forecasting Equity Premia Using Bayesian Dynamic Averaging*, R. Schüssler and J. Beckmann, Helmut-Schmidt University, Hamburg, Germany.

11:15 *Categorical Evaluation of Alternative Index Weighting Schemes*, L. Kaiser, Universität Liechtenstein.

11:45 *Non-Linear Approach to Random Walk Test in Some African Stock Markets*, L. Mensah, E. Abakah and K. Ohene-Asare, University of Ghana Business School.

12:15 *Lunch and Exhibits.*

PARALLEL SESSION 6 - FORECASTING

13:30 *Forecasting the Equity Premium in the Presence of Structural Breaks*, S. Smith, University of Bristol, UK.

14:00 *Reduction of Forecast Errors - A New Forecast Combination Approach Applied to Realized and Implied Volatility Forecasts*, T. Weigt and B. Wilfling, University of Münster, Germany.

14:30 *A Predictive System with Heteroscedastic Expected Returns and Economic Constraints*, M. Bonelli and D. Mantilla-Garcia, Inria Sophia Antipolis, Koris International, France.

15:00 *Exhibits and Tea*

15:30 *Recursive Subspace Identification in Forecasting Financial Markets*, James A. Sørli, Caixa Cinzenta SA, Lisbon, Portugal.

16:00 *Forecasting Stock Market Liquidity: an Empirical Analysis*, M. Fall, J. L. Viviani, Université de Rennes 1 and CNRS, France.

16:30 *Forecasting Volatility: An Empirical Study of Stock Market Returns Using a GARCH-EVT-Copula Approach*, A. Hedhli, University of Law Sciences, Economic Sciences and Management of Jendouba, Tunisia.

17:00 *Close of session*

PARALLEL SESSION 7 - MACROECONOMIC EFFECTS I

13:30 *Forecasting Emerging Market Yield Spreads*, A. Audzeyeva and A.-M. Fuertes, Keele University, UK..

14:00 *Market Impact of Macroeconomic Announcements: Do Surprises Matter?*, D. Nadler and A. B. Schmidt, Kensho Technologies, Cambridge, USA.

14:30 *Comparison of the Rate of Return on Open-Ended Investment Funds Investing in Debt Securities and the Rate of Return on Bank Deposits in the Short, Medium and Long Term in Poland: Evaluation of Investment Risk Premiums*, I. Dittmann, Wroclaw University of Economics, Poland.

15:00 *Exhibits and Tea*

15:30 *Systemic Risk Attribution in the EU Area*, M. E. De Giuli, G. Farina and R. Giacometti, University of Bergamo, Italy.

16:00 *Speculation or Macro Fundamentals as a Source of Commodity Futures Price Volatility in China: a GARCH-MIDAS Approach*, E. Girardin and R. Joyeux, Aix-Marseille University, CNRS and EHESS, France.

16:30 *Evidence on Size and Value Over a Crisis Period*, A. Nasreddine and S. L. Jarjir, Université Paris Ouest Nanterre la Défense, France.

17:00 *Close of session*

19:30 **Conference Dinner**

Day 3: Friday 22 May 2015

08:30 *Coffee*

PARALLEL SESSION 8 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION

09:00 *On Parameter Estimation and Portfolio Selection*, P. O'Sullivan, University of Southampton, UK.

09:30 *Minimax Portfolio Theory: a Comparative Study of Performances*, D. Edelman and E. Goryagina, University College Dublin, Ireland.

10:00 *Carry Trade Return, Crash Risk and Liquidity Problem from a Portfolio Perspective*, Y. Lee, University of Glasgow, UK.

10:30 *Exhibits and Coffee*

10:45 *Risk Parity Portfolio: An Alternative for the Spanish Stock Market*, J. C. Matallín-Saez and S. S. Peñalver, Universidad Jaume I, Castellón, Spain.

11:15 *Geographical Diversification with a World Volatility Index*, S. Aboura and J. Chevallier, IPAG Business School, Paris, France.

11:45 *Global Diversification Benefits: Empirical Evidence from Frontier Emerging Equity Markets*, M. Gupta, Universities of Verona, Padua and Venice, Italy, and Cass Business School, London, UK.

12:15 *Lunch and Exhibits*

PARALLEL SESSION 9 - TRADING STRATEGIES

09:00 *Forecasting Significant Price Movements in FX Markets using Directional Changes*, E. Tsang, H. Ao and V. Chinthapati, University of Greenwich, London, UK.

09:30 *Modelling and Trading the CBOE Implied Volatility Index with Combinations of Prominent Autoregressive and Emerging Heuristic Techniques*, I. Psaradellis, University of Liverpool and G. Sermpinis, University of Glasgow, UK.

10:00 *A Dynamic Regime Switching Copula Approach for Dependence Modelling: an Application to the SP500 and the Brent Oil Prices*, M. Soury and V. Marimoutou, Aix Marseille University, France.

10:30 *Exhibits and Tea*

10:45 *Co-integration and Stochastic Optimal Control in Trading Pairs*, P. Song, G. Sermpinis and C. Stasinakis, University of Glasgow, UK.

11:15 *Forecasting and Trading Realized Volatility of Shanghai Future Exchange Prices*, F. Liu, A. A. Pantelous, University of Liverpool and G. Sermpinis, University of Glasgow, UK.

12:15 *Lunch and Exhibits*

SESSION 10 - MACROECONOMIC EFFECTS II

13:30 *Asymmetric Dynamics in the Correlations of Hedge Funds Strategy Indices: What Lessons about Financial Contagion?*, F. Martin and M.-L. Nguyen, University of Rennes and Crem, France.

14:00 *Insuring Hindsight Regret*, D. Edelman and E. Goryagina, University College Dublin, Ireland.

14:30 *Recent Brazilian Real Estate Market: in Search of Stylized Facts (Real Options with Priced Regime-Switching Risk)*, M. Zeuli, PUC, Rio de Janeiro, Brazil.

15:00 *Exhibits and Tea*

15:15 *Financial Consequences of Seasonal Change on Mortality*, M. Seklecka, A. A. Pantelous and Colin O'Hare, University of Liverpool, UK.

15:45 *Is There an Asymmetric Impact of Housing on Output?*, T.-H. M. Lee and W. Chen, Freie Universität Berlin, Germany.

16:15 *Is the Growth Rate Implicit in Offer Prices of Industrial IPOs?*, M. Z. M. Zachary, A. Smith and A. M. Ahmed, National University of Sciences and Technology, Islamabad, Pakistan.

16:45 *Close of session*

Publication of Papers:

Conference papers will be available on the Conference Proceedings, a copy of which will be given to each delegate. Authors are also invited to submit their work to the *Journal of Forecasting* which will publish a special proceedings issue containing selected papers from the Conference.

Conference Venue:

Faculté des Sciences Economiques
7, Place Hoche
35065 Rennes (France)

Registration Fees:

Presenters registration fees: EUR 450 (academics) and EUR 650 (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, and please note that **when submitting a paper you commit to present it if accepted. Payment of fees will be required by Wednesday 10 April 2015 for presenters** (unless you withdraw in writing before that date).

Standard delegate fees: EUR 1250 (non-academics and dual academic/non-academic employment), EUR 700 (academics, letter on University letterhead required). **Please note that payment of standard delegate fees must be received before 1 May 2015.**

The fee includes refreshments and lunches. All participants, including presenters, are responsible for their own travel and accommodation expenses.

A Conference dinner is organised on Thursday 21 May 2015 for which there will be an additional fee of EUR 45.

Secure online payment on www.aea-eu.net/FFM/2015, please follow the relevant payment instructions.

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When completed this form should be scanned and returned to:

J.Laws@liverpool.ac.uk or to Jason Laws, University of Liverpool Management School, Chatham Street, Liverpool L69 7ZH (UK).

Exhibitors:

We have a spacious exhibition area available throughout the Conference. For further information and costs, please contact Christian Dunis at christian.dunis@orange.fr.

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:

- Isabelle Legrand, TAC, La Saigeais, 35140 St Hilaire des Landes (France)

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

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Cancellation Policy for Non-Presenters: 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 by signed PDF document. Full refunds are available up to 1 May 2015, subsequently no refund will be given.