FORECASTING FINANCIAL MARKETS:

ADVANCES FOR EXCHANGE RATES, INTEREST RATES AND ASSET MANAGEMENT

Liverpool, 24, 25 and 26 May 2017

Conference Programme

Programme Chairs:

Christian Dunis
(Acanto Research and
Liverpool JMU University)

Jason Laws (University of
Liverpool Management
School)

Hans-Jörg von Mettenheim,
(Leibniz Universität,
Hannover)

Sylvain Barthélémy
(TAC Economics, Rennes)

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:

FORECASTING FINANCIAL MARKETS 2017
CONFERENCE PROGRAMME

Day 1: Wednesday, 24 May 2017

08:00   **Registration and Coffee**

08:45   **Opening Address**

SESSION 1 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION

09:00   *A Novel GA-kNN Machine Learning Framework To Build Macro Driven Portfolio Management*, A. Vigier, Aequam Capital, France and S. Chmil, Fideuram Asset Management, Ireland.

09:30   *Managing portfolio diversity within the mean variance theory,* A. Schmidt, Kensho Technologies, USA.

10:00   *Portfolio Optimization with Industry Return Prediction Models*, W. Bessler, Justus-Liebig-University Giessen, D. Wolff, Deka Investment.

10:30   *Exhibits and Coffee*

10:45   *Portfolio Optimization in Higher Moments with Incorporation of Asymmetric Laplace Distribution*, L. Chen , University of York, UK.

11:15   *Pairs trading and Technical Analysis: Is Mean Reversion Still Profitable?*, I. Psaradellis, A. A. Pantelous, J. Laws, University of Liverpool and G. Sermpinis, University of Glasgow, UK.

11:45   *A practical approach to pairs trading*, A. Goncu, Xian Jiaotong Liverpool University, China.

12:15   *Lunch and Exhibits*

SESSION 2 - ADVANCED MODELLING

13:30   *An application of varying-coefficient modeling approach to real estate finance*, A. T. K. Wan, City University of Hong Kong, S. Xie, University of International Business and Economics and Y. Zhou, Shanghai University of Finance and Economics, China.

14:00   *Monetary risk measures and the problem of risk vulnerability - Adverse effects of using (e.g.) Expected Shortfall in bank portfolio optimization*, M. Brandtner and W. Kürsten, University of Jena, Germany.

14:30   *A Variance Decomposition in Portfolios with Bivariate Normal Distribution,* J. Giner, University of La Laguna, Spain.

15:00   *Exhibits and Tea*

15:30   *Conditional Fuzzy Based Expert System for Football Betting*, G. Sermpinis, A. Hassanniakalager, C. Stasinakis, University of Glasgow and T. Verousis, Newcastle University, UK.

16:00   *Forecasting Electricity Spot Price For NordPool Market With An Hybrid k-factor GARMA-LLWNN Model,* S. Ben Amor, L. Belkacem and H. Boubaker, Institute of high commercial studies of Sousse (IHEC), Tunisia.

16:30   *The information content of corridor implied variances and their economic difference in the DJX options market*, S. Lu, University of Aberdeen, UK.

17:00   *Close of session*

Day 2: Thursday, 25 May 2017

08:30   **Coffee**

PARALLEL SESSION 3 - MACROECONOMICS AND EXCHANGE RATES

09:00   *Forecasting exchange rates: the role of macro variables and technical indicators*, S. Snaith, Gustavson School of Business, University of Victoria, Canada, J. Coakley, University of Essex and N. Zarrabi, Invesco, UK.

09:30   *Introducing Macro-Finance Variables into a Realized EGARCH Framework*, J. Stax Jakobsen, Aarhus University, Denmark.

10:00   *Forecasting Exchange Rates - a factor approach*, J. Coakley, University of Essex, S. Snaith, Gustavson School of Business, University of Victoria, Canada and M. Hadla, University of West London, UK.

10:30   *Exhibits and Coffee*

10:45   *Extracting the Information Shocks from the Bank of England Inflation Density Forecasts,* C. Diaz, University of Leicester, UK.

11:15   *Forecasting the U.K. yield curve dynamics: A just-identified no-arbitrage FAVAR approach with economic and market factor*, A. Audzeyeva, R. C. Bladen-Hovell and S. S. Jayathilaka, Keele University, UK.

11:45   *The Dependences of Consumers' Inflation Expectations and Some Macroeconomic Indicators. A Copula Approach*, P. Płuciennik, A. Mickiewicz University and M. Szyszko, WSB Poznan School of Banking, Poland.

12:15   *Lunch and Exhibits*

PARALLEL SESSION 4 - EQUITY MARKETS

09:00   *Monetary risk measures and the problem of risk vulnerability - Adverse effects of using (e.g.) Expected Shortfall in bank portfolio optimization*, W. Kürsten and M. Brandtner, University of Jena, Germany.

09:30   *Point and Density Forecasting Trading Volume with Linear Autoregressive Conditional Volume Models: An Application to the Polish Stock Market*, R. Huptas, Cracow University of Economics, Poland.

10:00   *Did bubbles migrate from the stock to the housing market in china between 2005 and 2010?*, Y. Deng, National University of Singapore, E. Girardin, Aix-Marseille University, France, R. Joyeux and S. SHI, Macquarie University, Australia.

10:30   *Exhibits and Coffee*

10:45   *Financial Sector Bailouts, Sovereign Bailouts and the Transfer of Credit Risk,* M. Greenwood, J. Huang and V. Nguyen, University of Melbourne, Australia.

11:15   *Forward-looking betas of currency returns*, I. Pozdeev, University of St. Gallen, Switzerland.

11:45   *The Asymmetric Price Effect of Equity Block Trades on the Warsaw Stock Exchange*, B. Kurek, Cracow University of Economics, Poland.

12:15   *Lunch and Exhibits.*

PARALLEL SESSION 5 - TRADING STRATEGIES

13:30   *Generating joint forecast distributions for stock prices at multiple-time horizons with recurrent neural networks*, J. Y. Jun Kim and Y. Rakotondratsimba, ECE Paris Graduate School of Engineering, France.

14:00   *Quantifying the maximum worth of Portfolio Management in a Multi-period setting*, D. Edelman, and E. Goryagina, University College, Ireland.

14:30   *Modeling and Trading Realized Volatility with High Frequency Data*, F. Liu, A. A. Pantelous, University of Liverpool, UK and H.-J. v. Mettenheim, Leibniz University of Hanover, Germany.

15:00   *Exhibits and Tea*

15:30   *Option Optimal Delta Hedging*, A. Debisschop, G. Desvilles and F. X. Dezael, Conservatoire National des Arts et Métiers, France.

16:00   *International volatility spillover and correlation dynamics in and across Nikkei 225 stock index futures markets,* J. Qin, C. J. Green and K. Sirichand, Loughborough University, UK.

16:30   *Close of session*

PARALLEL SESSION 6 - DERIVATIVES, REAL OPTIONS AND COMMODITIES

13:30   *VaR and CVaR Estimation for oil prices via SV-ALD model: A Bayesian approach using scale mixture of uniform*, L. Chen, University of York, UK.

14:00   *Predicting Oil Price Changes Using Combinations of Linear and Non-Linear Models*, A. Karathanasopoulos, University of Dubai and J. Laws, University of Liverpool, UK.

14:30   *Modelling and Trading the 3 types of Crude Oil future contracts with Novelty Forecasting Models*, A. Karathanasopoulos, University of Dubai.

15:00   *Exhibits and Tea*

15:30   *Alternative Commodity Investing For a New Paradigm*, J. Sultan, Bentley University, R. T. Murphy, Marblehead Investment Partners, USA.

16:00   *The role of carry in optimal commodity futures portfolios and diversification*, D. Tsvetanov, University of Sussex, J. Coakley, University of Essex and Neil Kellard, University of Essex.

16:30   *Close of session*

19:30   **Conference Dinner**

Day 3: Friday, 26 May 2017

08:30   **Coffee**

SESSION 7 - FORECASTING

09:00   *Determinants and predictive power of professional survey forecasts*, J. Beckmann, Ruhr University of Bochum and R. Czudaj, Chemnitz University of Technology, Germany.

09:30   *What does the Yield Curve imply about Investor Expectations?*, E. Gaus, Ursinus College and A. Sinha, Fordham University, USA.

10:00   *Predicting bank profitability by LASSO variable selection techniques*, S. Tsoukas, G. Sermpinis and P. Zhang, University of Glasgow, UK.

10:30   *Exhibits and Coffee*

10:45   *Reducing sequence risk using trend following investment strategies and the CAPE*, P. N. Smith, University of York, UK.

11:15   *Backtesting Basel III: Evaluating the Market Risk of Past Crises through the Current Regulation (an Example)*, M. Zeuli, IAG/PUC/RJ and Brazilian Central Bank, A. Carvalhal, BNDES, Brazil.

11:45   *Insurance Pricing and Reserving with the Temperture-Related Mortality Model*, M. Seklecka, A. A. Pantelous, University of Liverpool, UK and C. O'Hare, Monash University, Australia.

11:45   *Close of session*

12:00   *Lunch and Exhibits*

Publication of Papers:

Conference papers will be available in 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 issue containing selected papers from the Conference.

Conference Venue: **The University of Liverpool Management School**
Chatham Street
Liverpool L69 7ZH (United Kingdom)

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 Friday 7 April 2017 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 2017**.

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, 25 May 2017 for which there will be an additional fee of EUR 50.

Surname: First name:
Institution: Telephone:
Address: Fax:
Conference dinner: person(s)   E-mail:

Payment: **Please do not forget to mention the name of the person(s) for whom the payment is made!**
Payments must be made to the Forecasting Financial Markets Association either by bank transfer or by credit card or PayPal. In all cases, go to **www.ffmconference.com/registration** and follow the relevant payment instructions.

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 Jason Laws at **J.Laws@liverpool.ac.uk**.

Hotel Accommodation:

Hotel and other practical information can be found on our website: **www.ffmconference.com**.

Any further questions relating to the Conference can be addressed to:
- Jason Laws, University of Liverpool Management School, Chatham Street, Liverpool L69 7ZH (UK)
  e-mail: J.Laws@liverpool.ac.uk, Telephone: +44 151 795 3508

More information can be found on our website: www.ffmconference.com

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 2017, subsequently no refund will be given.