FORECASTING FINANCIAL MARKETS

ADVANCES FOR EXCHANGE RATES, INTEREST RATES AND ASSET MANAGEMENT

Venice, 19, 20 and 21 June 2019

Conference Programme

Programme Chairs:

Sylvain Barthélémy
TAC Economics

Monica Billio
Ca' Foscari University, Venice

Eric Girardin
Aix-Marseille University

Hans-Jörg von Mettenheim,
IPAG Business School, Paris

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

Ca' Foscari University of Venice
Department of Economics

VERA
Venice centre in Economic and Risk Analytics for public policies

FFMA

TAC ECONOMICS

Ipag Business School
Paris Nice Kunming Los Angeles

FORECASTING FINANCIAL MARKETS 2019
CONFERENCE PROGRAMME

Day 1: Wednesday, 19 June

08:45 **Registration and Coffee**
09:15 **Opening Address**

KEYNOTE (1) LECTURE (AULA 10A)

09:30 *Complexity, Qualitative Changes, and Money: The New Economics for Financial Forecasting*
Sergio Focardi, Léonard de Vinci Pôle Universitaire, France.

10:30 *Coffee*

PARALLEL SESSION 1 – CONTAGION AND RISK (AULA 10A)

11:00 *Stock Market Bubble Migration: From Shanghai to Hong Kong*, Eric Girardin, Aix-Marseille University, France, Roselyne Joyeux and Shuping Shi, Macquarie University, Australia.
11:30 *Banks and Sovereigns: Did Adversity Bring them Closer?* Lisa Sheenan, Queens University Belfast, UK, Thomas Flavin, National University of Ireland Maynooth, Ireland, Mardi Dungey, University of Tasmania, Australia.
12:00 *Risk Assessment of the Stock Market in a Liberalizing Economy*, Dominique Guegan, University Paris1 Panthéon-Sorbonne, France, Dinh-Tri Vo, IPAG Business School, France.

PARALLEL SESSION 2 – FORECASTING (AULA 10B)

11:00 *Stock Market Prediction Using Deep Belief Networks Genetic Algorithms-Support Vector Machines: An Application to the Spanish, Portuguese and Greek Economies*, Andreas Karathanasopoulos, University of Dubai, Dubai, Ana M. García Bernabeu, David Pla Santamaria and Fransisco Salas, University of Valencia, Spain.
11:30 *Machine Learning Approaches for Equity Market Predictions*, Dominik Wolff and Ulrich Neugebauer, Institute for quantitative Capital Market research at Deka Bank (IQ-KAP).
12:00 *A Reinforcement-Learning-Based Automated Trading System with Nonlinear Variation of Transaction Fees,* Jae Yun Jun Kim and Yves Rakotondratsimba, ECE Paris, France.

12:30 *Lunch*

PARALLEL SESSION 3 – ASSET PRICING (AULA 10A)

14:00 *Does the Combination of Models Predicting the US Equity Premium Lead to Better Out-of-Sample Performance?* Nenad Curcic, Institute of Finance - Ulm University, Germany.
14:30 *Partial Convergence: Pairs Trading Done Right*, Thong Dao, Nottingham Trent University, UK, Frank McGroarty, University of Southampton, UK, Andrew Urquhart, University of Reading, UK.
15:00 *Attractive and Non-Attractive Currencies*, Philippe Dupuy, Grenoble Ecole de Management, France.

PARALLEL SESSION 4 – VOLATILITY (AULA 10B)

14:00 *High and Low Prices and the Range in the European Stock Markets: A Long-Memory Approach,* Guglielmo Maria Caporale, Brunel University, UK, Luis A. Gil-Alana, University of Navarra, Spain, Carlos Poza, University Francisco de Vitoria, Spain.
14:30 *Volatility Analysis of Bitcoin-Returns and Value-at-Risk-Prognosis,* Andreas Gohs, University of Kassel, Germany.
15:00 *Monetary Policy Shocks and Variance Risk Premia*, Asad Dossani, Colorado State University, USA.

15:30 *Coffee*

PARALLEL SESSION 5 – ASSET PRICING (AULA 10A)

16:00 *The January Effect as Seasonal Equity Carry Trades*, Eric Girardin and Fatemeh Salimi Namin, Aix-Marseille University,France.
16:30 *Regularized Semiparametric Estimation of High Dimensional Dynamic Conditional Covariance Matrices,* Claudio Morana, University of Milan-Bicocca, Italy.
17:00 *Derivatives-based Portfolio Management via Multi-stage Stochastic Programming.* Diana Barro Ca' Foscari University, Giorgio Consigli and Vivek Varum Bergamo University.
17:30 *Options Trading Strategies and Framing: A Cumulative Prospect Theory Approach.* Martina Nardon and Paolo Pianca, Ca' Foscari University.

PARALLEL SESSION 6 – FORECASTING (AULA 10B)

16:00 *Time-Varying Risk Aversion and Stock Return Predictability: International Evidence,* Erwin Hansen, University of Chile, Chile.
16:30 *An Unbiased Comparison of Volatility Forecasting Models*, Arman Hassanniakalager, University of Bath, UK, Georgios Sermpinis, University of Glasgow, UK.
17:00 *On the predictive power of statistical factor models*, Stjepan Begušić, Vanessa Keranović, Branko Jeren and Zvonko Kostanjčar, University of Zagreb, Croatia.
17:30 *Early warning system using dynamic factor models: An application to Asian economies*, Chi Truong, Macquarie University, Australia.

18:00 *Close of sessions*

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Day 2: Thursday, 20 June

09:00 *Coffee*

KEYNOTE (2): CHRISTIAN DUNIS LECTURE (AULA 10A)

09:30 *Markov-switching Tensor Regression for Time-varying Networks*
Monica Billio, Ca' Foscari University, Italy.

10:30 *Coffee*

PARALLEL SESSION 7 – ASSET PRICING (AULA 10A)

11:00 *The Value Uncertainty Premium*, Menatalla El Hefnawy and Luca Del Viva, ESADE Barcelona - Sant Cugat, Spain, Lenos Trigeorgis, King's College London, UK, Turan Bali, Georgetown University, USA.

11:30 *Dual-Class Shares: Voting Power, Information Uncertainty, and Liquidity*, Zhou Zhou and Gan Quan, The University of Sydney, Australia.

12:00 *Mimicking Portfolios, Expected Returns and Spectrum Effect: Some Evidence*, Panagiotis Andrikopoulos, Centre for Financial and Corporate Integrity, UK, Paraskevas Pagas and Arief Daynes, University of Portsmouth, UK, Vasileios Kallinterakis, University of Liverpool, UK.

PARALLEL SESSION 8 – DERIVATIVES (AULA 10B)

11:00 *Efficient Wrong Way CVA Calculation for Interest Rates Derivatives*, Riccardo Brignone, University of Milano-Bicocca, Italy, Gianluca Fusai, University of Eastern Piedmont, Italy, Ioannis Kyriakou, City University, London, UK.

11:30 *Optimal Currency Hedging with Parameter and Model Uncertainty*, Urban Ulrych and Nikola Vasiljević, University of Zurich, Switzerland.

12:00 *Tail Dependence Structure of Metal Commodity Futures in London Metal Exchange*, Han Xuyuan and Liu Zhenya, Renmin University of China, Wang Shixuan, University of Reading, UK.

12:30 *Lunch*

PARALLEL SESSION 9 – ASSET PRICING (AULA 10A)

14:00 *Empirical Analysis and Forecasting of Multiple Yield Curves*, Christoph Gerhart and Eva Lütkebohmert, University of Freiburg, Germany.

14:30 *A Two Stage Allocation Process for Multi-Asset Portfolios*, Wolfgang Bessler and Georgi Taushanov, Justus Liebig University Giessen, Germany.

15:00 *Is it Efficient to Buy the Index? A Worldwide Tour with Stochastic Dominance*, Olga Kolokolova, University of Manchester, UK, Olivier Le Courtois and Xia Xu, EM-Lyon Business School, France.

PARALLEL SESSION 10 – FORECASTING (AULA 10B)

14:00 *Predicting Default Risk under Asymmetric Binary Link Functions*, Elias Tzavalis, Athens University of Economics and Business, Greece.

14:30 *The Memory Advantage of Long Short-Term Memory Networks for Bond Yield Forecasting*, Manuel Nunes, Enrico Gerding, Frank McGroarty and Mehasan Niranjan, University of Southampton, UK.

15:00 *Capital Gains Sensitivity of U.S. BBB-rated Debt: A Markov-switching Application*, Mariya Gubareva, Instituto Politécnico de Lisboa, Portugal, Ilias Chondrogiannis, University College London, UK.

15:30 *Coffee*

PARALLEL SESSION 11 – MICROSTRUCTURE (AULA 10A)

16:00 *A High-Frequency Analysis of the Information Content of Trading Volume*, Gbenga Ibikunle, University of Edinburgh, UK, Khaladdin Rzayev, The University of Edinburgh, UK.

16:30 *On the Impact of Trading Volume on Returns' Volatility in Emerging Stock Markets Using Intraday Data*, Roman Huptas, Cracow University of Economics, Poland.

17:00 *Asymmetric Information and the Distribution of Trading Volume*, Jos Van Bommel, University of Luxembourg, Luxembourg, Matthijs Lof, Aalto University, Finland.

PARALLEL SESSION 12 – OIL FORECASTING (AULA 10B)

16:00 *Oil Forecasting Using Artificial Intelligence*, Andreas Karathanasopoulos, Mohammed Osman, Mateus Mikutowski and Zaremba Adam, University of Dubai, UAE.

16:30 *Crude Oil Return Predictability Revisited*, Thomas Conlon, John Cotter and Emmanuel Eyiah-Donkor, University College Dublin, Ireland.

17:00 *Oil Price Volatility Forecasts: Evidence from Objective Based Evaluation Functions*, Stavros Degiannakis and George Filis, University of Bournemouth, UK.

17:30 *End of Sessions*

20:00 **Gala Dinner**

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Day 3: Friday, 21 June

09:00   *Coffee*

PARALLEL SESSION 13 – MICROSTRUCTURE (AULA 10A)

09:30   *Informed Trading in a Two-tier Market Structure under Financial Distress*, Paola Paiardini, University of Birmingham, UK, Claudio Impenna, Bank of Italy, Italy.

10:00   *Forecasting Liquidity and Volatility with a MIDAS model*, Barbara Będowska-Sójka and Agata Kliber, Poznań University of Economics and Business, Poland.

PARALLEL SESSION 14 – TECHNICAL ANALYSIS (AULA 10B)

09:30   *Technical Analysis and Lucky Factors in Cryptocurrency Markets*, Mingzhe Wei, Charalampos Stasinakis and Georgios Sermpinis, University of Glasgow, UK.

10:00   *Technical Trading Rules on the Vietnamese Stock Market*, Hans-Jörg Von Mettenheim and Dinh-Tri Vo, IPAG Business School, France.

10:30   *Coffee*

PARALLEL SESSION 15 – ASSET PRICING (AULA 10A)

11:00   *The Information Content of Monetary Penalties for Non-compliance with Disclosure Requirements*, Bartosz Kurek and Ireneusz Górowski, Cracow University of Economics, Poland.

11:30   *Consumption, Asset Wealth, Term Spread and Flight to Quality*, Ricardo Sousa, University of Minho, Portugal, Mauro Constantini, University of L'Aquila, Italy.

12:00   *Net Trade Credit and Firm Performance*, Filipa D S Fernandes, University of Aberdeen, UK.

12:30   *Portfolio Optimization with Nonlinear Loss Aversion*, Anna Maria Fiori, Alessandro Avellone and Ilaria Foroni, University of Milano-Bicocca, Italy.

PARALLEL SESSION 16 – MOMENTUM (AULA 10B)

11:00   *Managing Time Series Momentum Risk*, Shanglin Lu and Zhenya Liu, Renmin University of China, China, Shixuan Wang, University of Reading, UK.

11:30   *Momentum Strategies for the ETF-Based Portfolios*, Daniel Nadler and Anatoly Schmidt, Kensho Technologies, USA.

12:00   *Momentum, Reversal and Tensorflows*, Ioannis Psaradellis, University of St Andrews, UK, Dimitris Schizas, Azur Underwriting Ltd. UK, Georgios Sermpinis, University of Glasgow, UK.

12:30   *Q-Learning for Financial Trading.* Marco Corazza Ca' Foscari University.

13:00   **Lunch**

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- *Eric Girardin, Aix-Marseille University*
- *Hans-Jörg von Mettenheim, IPAG Business School, Paris*

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- *Duc Khuong Nguyen, IPAG Business School, Paris*
- *Domenico Sartore, Ca' Foscari University, Venice*
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- *Neil Kellard, University of Essex*
- *Bartosz Kurek, Cracow University of Economics*
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- *Duc Khuong Nguyen, IPAG Business School, Paris*
- *Georgios Sermpinis, University of Glasgow*
- *Peter N. Smith, York University*
- *Nir Vulkan, Oxford-Man Institute*

Conference Venue: **Ca' Foscari University, Venice (Italy)**
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