

## Pre-Conference Tuesday June 11<sup>th</sup>, 2019

Location: Room 105

08:00 - 08:50 **Registration**

Location: Entrance hall

08:50-9:00 **Opening remarks**

Shiyi Chen, Fudan University

09:00 - 10:00 **Pre-Conference Lecture**

Yongmiao Hong, Cornell University

“Model Uncertainty, Model Instability and Time-Varying Model Averaging”

Chair: Shiyi Chen, Fudan University

10:00 - 10:20 Coffee and Tea Break

10:20 - 11:50 **Session I**

Chair: Lan Zhang, University of Illinois at Chicago

**Dario Ruzzi** (University of Bristol)

“The Impact of Equity Tail Risk on Bond Risk Premia: Evidence of Flight-to-Safety in the U.S. Term Structure”

**Ophélie Couperier** (ENSAE - CREST), Jérémy Leymarie

“Backtesting Expected Shortfall via Multi-Quantile Regression”

**Georg Keilbar** (Humboldt-University of Berlin)

“Modelling Systemic Risk Using Neural Network Quantile Regression”

11:50 - 13:00 Lunch break

Location: Room 801

13:00 – 15:00 **Session II**

Chair: Eric Ghysels (University of North Carolina at Chapel Hill)

**Alexander Kostrov** (University of St. Gallen), Anastasija Tetereva

“Forecasting realized correlations: a MIDAS approach”

**Jue Ren** (Texas Christian University), John Kim, Paul Irvine

“The Beta Anomaly and Mutual Fund Performance”

**Giuseppe Bucccheri** (Scuola Normale Superiore, Pisa), Davide Pirino, Luca Trapin

“Managing liquidity with portfolio staleness”

**Bo Hu** (Peking University), Joon Park, Yoosoon Chang  
“Econometric Analysis of Functional Dynamics in the Presence of Persistence”

15:00 – 15:20 Coffee and Tea Break

15:20 – 17:20 **Session III**

Chair: Tim Bollerslev (Duke University)

**Raymond C. W. Leung** (Cheung Kong Graduate School of Business), Yu-Man Tam  
“Asset Insurance Premium in the Cross-Section of Asset Synchronicity”

**Moses Kangogo** (University of Tasmania), Vladimir Volkov  
“Changing Vulnerability in Asia: Contagion and Systemic Risk”

**Xiaohan Xue** (ICMA Centre, University of Reading), Emese Lazar  
“Forecasting Risk Measures Using Intraday Data in a Generalized Autoregressive Score (GAS) Framework”

**Yuguo Liu** (University of Houston)  
“The Time-Series Information in Options: Implications for the Index Option Return Puzzle and the Risk-Return Tradeoff”

## Main Program

Wednesday June 12<sup>th</sup>, 2019

08:00 - 09:00 **Registration**

Location: Entrance hall

09:00-9:15 **Welcome Speech**

Location: Room 105

Chair: Lan Zhang, University of Illinois at Chicago

09:15 - 10:15 **Invited Session 1**

Oliver B. Linton, University of Cambridge

“Robust to sampling frequency estimation of the features of dependent market microstructure noise with application to the measurement of market liquidity”

Location: Room 105

Chair: Torben Andersen, Northwestern University Kellogg School of Management

10:15 - 10:30 Refreshment Break

10:30 - 12:00 **Parallel Session 1**

Parallel Session 1A: Asset Pricing: Stochastic Discount Factor

Chair: Oliver B. Linton, University of Cambridge

Location: Room 510

**Paolo Zaffaroni** (Imperial College Business School)

“Beyond the Bound: Pricing Assets with Misspecified Stochastic Discount Factors”

**Soohun Kim** (Georgia Institute of Technology) and Robert Korajczyk

"Large Sample Estimators of the Stochastic Discount Factor"

Fabio Trojani, Alberto Quaini and **Sofonias Korsaye** (University of Geneva)

"Smart SDFs"

Parallel Session 1B: Predictive Regression, LASSO

Chair: Jun Yu, Singapore Management University

Location: Room 514

Ji Hyung Lee and **Zhentaο Shi** (The Chinese University of Hong Kong)  
"On Lasso for Predictive Regression"

**Jihyun Kim** (Toulouse School of Economics), Rustam Ibragimov and Anton Skrobotov  
"New robust inference for predictive regressions"

**Wenxin Huang** (Shanghai Jiao Tong University), Liangjun Su and Yuan Zhuang  
"Unobserved Heterogeneity in Efficient Price via Classifier-Lasso Method"

Parallel Session 1C: Shortfall, Value at Risk  
Chair: Zhengjun Zhang, University of Wisconsin  
Location: Room 614

**Patrick Wongsā-Art** (Cardiff University)  
"Correlation Curve Time Series and a Construction of New Functional Portfolio VaR"

Fousseni Chabi-Yo, **Markus Huggenberger** (University of Mannheim) and Florian Weigert  
"Multivariate Crash Risk"

**Donggyu Kim** (Korea Advanced Institute of Science and Technology)  
"Overnight Volatility Processes with Applications of Value at Risk"

Parallel Session 1D: Sentiment, Investors attention, Text Analysis  
Chair: Hongjun Yan, DePaul University Kellstadt School of Business  
Location: Room 714

**Li Guo** (Singapore Management University), Lin Peng, Yubo Tao and Jun Tu  
"News Co-Occurrence, Attention Spillover and Return Predictability"

**Daniele Ballinari** (University of St. Gallen), Francesco Audrino and Fabio Sigrisť  
"The impact of sentiment and attention measures on stock market volatility"

**Justyna Klejdysz** (Ministry of Finance of Poland; Warsaw School of Economics) and Robin Lumsdaine  
"Shifts in ECB communication: a text mining approach"

12:00 - 13:30 Lunch Break and Poster Session 1  
Location: Room 801

- Daniel Felix Ahelegbey and Paolo Giudici  
"Tree Networks to Assess Financial Contagion"
- Ray Chou, with Tso-Jung Yen and Yu-Min Yen  
"Forecasting Expected Shortfall and Value-at-Risk with the FZ Loss and Realized Variance Measures"
- Susana Martins

"Volatility Interactions in Multivariate GARCH Models with Multiplicative Decomposition"

- Yang-Ho Park  
"Information in Yield Spread Trades"
- Richard Chen  
"Inference for Volatility Functionals of Ito Semimartingales Observed with Noise"

**13:30 – 14:20 Invited Themed Talk 1**

Eric Ghysels, UNC Kenan-Flagler Business School

“Artificial Intelligence Alter Egos: Who benefits from robo-investing?”

Location: Room 105

Chair: Paolo Zaffaroni, Imperial College Business School

**14:20 – 14:30 Refreshment Break**

**14:30 - 16:30 Parallel Session 2**

Parallel Session 2A: Blockchain, Cryptocurrencies

Chair: Zhengjun Zhang, University of Wisconsin

Location: Room 510

**Li Guo** (Singapore Management University), Yubo Tao and Wolfgang Haerdle  
"A Dynamic Network Perspective on the Latent Group Structure of Cryptocurrencies"

Ying Chen, **Simon Trimborn** (National University of Singapore) and Jiejie Zhang  
"Discover Regional and Size Effects in Global Bitcoin Blockchain via Sparse-Group Network AutoRegressive Modeling"

Haoyuan Ding, Yue Qiu, **Tian Xie** (Xiamen University) and Guanxi Yi  
"The Bitcoin Volatility Characteristics: Model Uncertainty, Heteroskedasticity, and Nonlinearity"

Christoph Scheuch, Nikolaus Hautsch and **Stefan Voigt** (Vienna Graduate School of Finance)  
"Limits to Arbitrage in Markets with Stochastic Settlement Latency"

Parallel Session 2B: New Approach in Asset Pricing Modeling and in Term Structure Modeling

Chair: Soohun Kim, Georgia Institute of Technology

Location: Room 514

**Bertille Antoine** (Simon Fraser University)  
"Asset Pricing with a Large Matching Model"

**Francisco Penaranda** (City University of New York), Juan Rodriguez-Poo and Stefan Sperlich  
"Nonparametric Specification Testing of Conditional Asset Pricing Models"

**Helena Veiga** (Universidad Carlos III de Madrid), Sofia Ramos, Abderrahim Taamouti and Chih-Wei Wang  
"Quantile Consumption-Capital Asset Pricing Model"

Parallel Session 2C: Information from the Options Market  
Chair: Frank Kleibergen, University of Amsterdam  
Location: Room 614

Nicole Branger, **René Marian Flacke** (University of Muenster) and T. Frederik Middelhoff  
"Jumps and the Correlation Risk Premium: Evidence from Equity Options"

**Torben Andersen** (Northwestern University), Viktor Todorov and Masato Ubukata  
"Tail Risk and Return Predictability for the Japanese Equity Market"

Huidi Lin and **Viktor Todorov** (Northwestern University)  
"Aggregate Asymmetry in Idiosyncratic Jump Risk"

Parallel Session 2D: Factors and Proxies  
Chair: Yuan Liao, Rutgers University  
Location: Room 714

Yufeng Han, Zhaodan Huang, Guofu Zhou and **Weidong Tian** (UNC-Charlotte)  
"Momentum, Reversal, and the Firm Fundamental Cycle"

Alexandros Kostakis, Tassos Magdalinos and **Michalis Stamatogiannis** (University of Liverpool)  
"Taking Stock of Long-Horizon Predictability Tests: Are Factor Returns Predictable?"

**Chuanping Sun** (Queen Mary University of London)  
"Regularising the Factor Zoo with OWL: A Correlation-Robust Machine Learning Approach"

Kuntara Pukthuanthong, Richard Roll, Junbo Wang and **Tengfei Zhang** (Louisiana State University)  
"A Toolkit for Factor-Mimicking Portfolios"

16:30 – 16:50 Refreshment Break

16:50 – 17:50 **Invited Session 2**

Robert F. Engle, New York University Stern School of Business

“Financial Volatility and Geopolitical Risk”

Location: Room 105

Chair: Shiyi Chen, Fudan University School of Economics

19:00 – 22:00 **Gala Dinner**

Chair: Zhengjun Zhang, University of Wisconsin

Location: Crowne Plaza Shanghai Fudan Hotel, The Grand Ballroom (2nd Floor)

**Thursday June 13<sup>th</sup>, 2019**

08:30 - 09:00 **Registration**

Location: Entrance hall

9:00 – 10:00 **Invited Session 3**

Chair: Federico M. Bandi, Johns Hopkins Carey Business School

**Halbert White Jr. Memorial JFEC Invited Lecture**

Frank Kleibergen, University of Amsterdam

“Identification Robust Testing of Risk Premia in Finite Samples”

Location: Room 105

Discussants:

Paolo Zaffaroni, Imperial College Business School

Francisco Penaranda, Queens College CUNY

10:00 - 10:15 Refreshment Break

10:15 - 12:15 **Parallel Session 3**

Parallel Session 3A: Machine Learning in Asset Pricing

Chair: Chuanping Sun, Queen Mary University of London

Location: Room 510

Stefano Giglio, **Yuan Liao** (Rutgers University) and Dacheng Xiu

"Thousands of Alpha Tests"

**Guanhao Feng** (City University of Hong Kong), Nicholas Polson and Jianeng Xu

"Deep Learning in Asset Pricing"

**Fuwei Jiang** (Central University of Finance and Economics), Dashan Huang, Guoshi Tong, Guofu Zhou  
"Are Bond Returns Predictable with Real-Time Macro Data?"

Jingzhi Huang, Runze Li, **Jun Ni** (The Pennsylvania State University) and Zhan Shi  
"Forecasting bond returns using high-dimensional model selection"

Parallel Session 3B: Debt, Term Structure Modeling  
Chair: Bertille Antoine, Simon Fraser University  
Location: Room 514

Christian Gourieroux and **Yang Lu** (University Paris 13)  
"Noncausal Affine Processes with Applications to Derivative Pricing"

**Guillaume Roussellet** (McGill University), Peter Simasek, Dittmar and Alex Hsu  
"Default Risk and the Pricing of U.S. Sovereign Bonds"

Calebe de Roure, Emanuel Moench, Loriana Pelizzon and **Michael Schneider** (Deutsche Bundesbank)  
"OTC Discount"

**Anne Lundgaard Hansen** (University of Copenhagen and Danmarks Nationalbank)  
"Volatility-Induced Stationarity and Error-Correction in Macro-Finance Term Structure Modeling"

Parallel Session 3C: Volatility Estimation and Modeling in High Frequency Data  
Chair: Christina Dan Wang, New York University – Shanghai  
Location: Room 614

Timo Dimitriadis, Roxana Halbleib and **Sina Streicher** (KOF Swiss Economic Institute, ETH Zürich)  
"Estimating Realized Variance: An Intrinsic Time Approach"

Wale Dare and **Matthias Fengler** (University of St.Gallen)  
"Global estimation of realized spot volatility in the presence of price jumps"

**Roxana Halbleib** (University of Konstanz) and Giorgio Calzolari  
"Modelling and Forecasting Covariance Matrices: A Parsimonious Approach"

**Manh Cuong Pham** (Lancaster University), Heather Anderson, Huu Nhan Duong and Paul Lajbcygier  
"The volume-volatility relation of trades: A bivariate stochastic conditional model"

Parallel Session 3D: Financial Contagion, Financial Crisis, Networks



Chair: Robin L. Lumsdaine, American University and Erasmus University Rotterdam  
Location: Room 714

Paolo Pagnottoni and **Paolo Giudici** (Daniel Ahelegbey)  
"Vector Error Correction Models to Measure Connectedness of Bitcoin Exchange Markets"

**Federico Carlini** (Università della Svizzera italiana) and Patrick Gagliardini  
"Vector Autoregressive Model with Dynamic Factors"

**Gustavo Schwenkler** (Boston University) and Hannan Zheng  
"The Network of Firms implied by the News"

**G. Stefan Gudmundsson** (Aarhus University)  
"Community Detection in Large Vector Autoregressions"

12:15 – 13:30 Lunch Break and Poster Session 2  
Location: Room 801

- Christian Muecher, with Roxana Halbleib and Giorgio Calzolari  
"A Simple Estimation of Multivariate Factor Stochastic Volatility Models"
- Xi Mo, with I-Hsuan Ethan Chiang  
"A "Bad Beta, Good Beta" Anatomy of Currency Risk Premiums and Trading Strategies"
- Ole Linnemann Nielsen, with Charlotte Christiansen and Niels Strange Grønborg  
"Mutual Fund Selection for Realistically Short Samples"
- Farrukh Javed, with Krzysztof Podgórski  
"Asymmetric power autoregressive models with non-Gaussian shocks"
- Arnab Chakrabarti, with Rituparna Sen  
"Copula estimation for bivariate nonsynchronous financial data"

13:30 – 14:20 **Invited Themed Talk 2**  
Yingying Li, Hong Kong University of Science of Technology  
"Statistical Learning for Personalized Wealth Management"  
Location: Room 105

Chair: Zhengjun Zhang, University of Wisconsin

14:20 – 14:30 Refreshment Break

14:30 – 16:30 Parallel Session 4

Parallel Session 4A: Factor Models: Dimension Reduction  
Chair: Dacheng Xiu, University of Chicago Booth School of Business  
Location: Room 510

Yi Ding, Robert Engle, Yingying Li and **Xinghua Zheng** (HKUST)  
"Factor modeling for volatility"

Markus Pelger and **Ruoxuan Xiong** (Stanford University)  
"Interpretable Sparse Proximate Factors for Large Dimensions"

Massimiliano Caporin, Michele Costola, **Jean-Charles Garibal** (University of Orleans)  
and Bertrand Maillet  
"A Meta-analysis of Systemic Risk Measures for gauging Financial Stability"

Parallel Session 4B: Forecasting

Chair: Gustavo Schwenkler, Boston University Questrom School of Business

Location: Room 514

**Simone Manganelli** (European Central Bank) and Sul Khan Chavleishvili  
"Forecasting and Stress Testing with Quantile Vector Autoregression"

**Erik Christian Montes Schütte** (Aarhus University), Stig V. Møller, Thomas  
Quistgaard Pedersen and Allan Timmermann  
"Forecasting house prices using online search activity"

**Mamiko Yamashita** (Toulouse School of Economics), Nour Meddahi and Ji Hyun Kim  
"Forecast comparison tests under fat-tails"

**Sander Barendse** (University of Oxford) and Andrew Patton  
"Comparing Predictive Accuracy in the Presence of a Loss Function Shape Parameter"

Parallel Session 4C: Leverage, Skewness, and Volatility

Chair: Roberto Renò (Università degli Studi di Verona)

Location: Room 614

Nicole Branger, Hendrik Hülsbusch and **Frederik Middelhoff** (University of Muenster)  
"Idiosyncratic Volatility, its Expected Variation, and the Cross-Section of Stock Returns"

**Christina Dan Wang** (NYU-Shanghai), Per Mykland and Lan Zhang  
"Estimating and Forecasting Volatility using Leverage Effect"

Bruce Mizrahi, Norman Swanson and **Bo Yu** (Rutgers University)  
"The Effects of Upside, Downside, Small and Large Jumps on Stock Return  
Predictability"

**Paola Pederzoli** (University of Houston)  
"Crash Risk in Individual Stocks"

Parallel Session 4D: Policy and Regulation  
Chair: Mingdong Xu, Fudan University  
Location: Room 714

**Mattia Landoni** (Southern Methodist University) and Winthrop Smith and Christopher Cameron

"Linking policy to outcomes: a simple framework for debt maturity management"

**Mariela Dal Borgo** (Banco de Mexico)

"Modeling Demand Deposits and Interest Rate Risk Sharing: Lessons from the Mexican Banking Regulation"

**Thomas T. Wiemann** (University of Oxford) and Robin L. Lumsdaine

"Health Care Policy Uncertainty in the United States and its Effect on Households' Consumption and Portfolio Choice"

**Bihong Huang** (Asian Development Bank Institute), Maria Punzi and Yu Wu

"Do Banks Price Environmental Risk? Evidence from a Quasi Natural Experiment in China"

16:30 – 16:45 Refreshment Break

16:45 – 17:45 Invited Session 4

Hongjun Yan, DePaul University Kellstadt School of Business,  
"Investing with Fast Thinking"

Location: Room 105

Chair: Jianqing Fan, Princeton University

17:45 – 18:15 SoFiE Members Meeting

Location: Room 805

Friday June 14<sup>th</sup> 2019

08:30 - 09:00 **Registration**

Location: Entrance hall

9:00 – 10:00 **Invited Session 5**

Jianqing Fan, Princeton University

"Statistical machine learning for Financial Prediction and Inference"

Location: Room 105

Chair: Tim Bollerslev (Duke University)

10:00 - 10:15 Refreshment Break

10:15 - 12:15 **Parallel Session 5**

Parallel Session 5A: Systematic Risk, Betas

Chair: Viktor Todorov (Northwestern University)

Location: Room 510

**Federico Bandi** (Johns Hopkins Carey Business School), Shomesh Chaudhuri, Andrew Lo and Andrea Tamoni

"Measuring horizon-specific systematic risk via spectral betas"

**Dachuan Chen** (University of Illinois at Chicago), Per Mykland, Lan Zhang

"Realized Regression with Asynchronous and Noisy High Frequency Data"

**Hao Ma** (USI Lugano and Swiss Finance Institute) and Patrick Gagliardini

"Extracting Statistical Factors When Betas Are Time-Varying"

**Yiannis Dendramis** (University of Cyprus), Liudas Giraitis and George Kapetanios

"A regularization approach for estimation and variable selection in high dimensional regression models"

Parallel Session 5B: Time Series and Inference for Stochastic Processes

Chair: Xinghua Xheng, Hong Kong University of Science of Technology

Location: Room 514

Ying Chen, J. S. Marron and **Jiejie Zhang** (National University of Singapore)

"Modeling Seasonality and Serial Dependence of Electricity Price Curves with Warping Functional Autoregressive Dynamics"

**Jun Yu** (Singapore Management University), Weilin Xiao and Xiaohu Wang

"Estimation and Inference in Fractional Ornstein--Uhlenbeck Model with Discrete-Sampled Data"

**Xiaohu Wang** (The Chinese University of Hong Kong)

"Estimating the Persistency Matrix of Multivariate Diffusion Process"

**Ilya Archakov** (University of Vienna) and Peter Hansen

"A New Parametrization of Correlation Matrices"

**Parallel Session 5C: High-Frequency Trading and Modeling, Price Discovery**

Chair: Roxana Halbleib, University of Konstanz

Location: Room 614

**Roberto Renò** (Università degli Studi di Verona), Lorian Pelizzon, Mario Bellia, Kim Christensen and Aleksey Kolokolov

"High-Frequency Trading During Flash Crashes: Walk of Fame or Hall of Shame?"

**Gustavo Dias** (Aarhus University), Marcelo Fernandes and Cristina Scherrer

"Price discovery and market microstructure noise"

Jinyuan Zhang and **Bart Yueshen Zhou** (INSEAD)

"Dynamic Trade Informativeness"

**Leopoldo Catania** (Aarhus BSS), Roberto Di Mari and Paolo Santucci de Magistris

"Dynamic Discrete Mixtures for High-Frequency Prices"

**Parallel Session 5D: Factor Pricing, Portfolio Selection**

Chair: Yingying Li, Hong Kong University of Science of Technology

Location: Room 714

Gianluca Denard, Olivier Ledoit and **Michael Wolf** (University of Zurich)

"Factor Models for Portfolio Selection in Large Dimensions: The Good, the Better and the Ugly"

**Rasmus Lönn** (Maastricht University)

"Optimizing larger portfolios using factors and sparse hedging"

**Soohun Kim** (Georgia Institute of Technology), Robert Korajczyk and Andreas Neuhierl

"Arbitrage Portfolios"

**12:15 – 13:30 Lunch Break and Poster Session 3**

Location: Room 801

- Danilo Vassallo, with Giuseppe Buccheri and Fulvio Corsi  
"A DCC-type approach for Realized Covariance modelling with score-driven dynamics"
- Miha Torkar, with Ye Zeng  
"How Does Diversity of Media Coverage Influence Firms' Risk Exposure?"
- Kristy Jansen, with Bas Werker  
"The liquidity premium in illiquid asset classes"
- Giulia Livieri, with Alberto Ciacchi, Fabrizio Lillo and Luca Mertens  
"Liquidity Fluctuations and the Latent Dynamics of Price Impact"
- Yuting Tan, with Lan Zhang

"Return Volatility, Market Microstructure Noise, and Institutional Investors: Evidence from High Frequency Market"

13:30 – 14:20 **Invited Themed Talk 3**

Dacheng Xiu, University of Chicago Booth School of Business  
"Predicting Returns with Text Data"

Chair: Rasmus Lönn, Maastricht University

Location: Room 105

14:20 – 14: 30 Refreshment Break

14:30 – 15:30 **Invited Session 6**

**SoFiE Presidential Address**

Per A. Mykland, University of Chicago  
President of SoFiE 2017-2019

"Nonparametric Standard Errors for High Frequency Data"

Location: Room 105

Chair: Eric Ghysels, University of North Carolina at Chapel Hill

15:30 – 15: 45 Closing Remarks

15:45           End of Conference