

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

Hannover, 25, 26 and 27 May 2016

## Conference Programme

### Programme Chairs:

**Christian Dunis**  
(Acanto Research and  
Liverpool JMU University)

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

**Sylvain Barthélémy**  
(TAC Economics, Rennes)

**Michael H. Breitner,**  
**Hans-Jörg von Mettenheim,**  
(Leibniz Universität,  
Hannover)

**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*

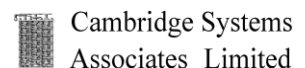
*Risk analysis and credit trading*

*Derivatives pricing models and real options*

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# FORECASTING FINANCIAL MARKETS 2016

## CONFERENCE PROGRAMME

### Day 1: Wednesday 25 May 2016

#### SESSION 1 - INTEREST AND EXCHANGE RATES

- 08:00** Registration and Coffee
- 08:45** Opening Address
- 09:00** *Which Term Structure of Interest Rates Model Performs the Best to Price the Government Bonds In Euro Area?*, F. Moraux and O. Pakulyak, CREM, Université de Rennes 1, France.
- 09:30** *A Fundamental Bond Index Including Solvency Criteria*, M. de Jong and L. Stagnol, EconomiX and Amundi Asset Management, Paris, France.
- 10:00** *Sovereign Credit Risk in the Eurozone: Empirical Evidence from Better Days*, F. Kunze, T. Basse, Nord/LB, H.-J. von Mettenheim and C. Wegener, Leibniz Universität, Hannover, Germany.
- 10:30** *Exhibits and Coffee*
- 10:45** *A Vine Copula Approach for Currencies Dependence*, M. Soury and V. Marimoutou, Aix-Marseille University, CNRS and EHESS, Marseille, France.
- 11:15** *Euro, Dollar or Swiss Franc: What Currency had the Greatest Impact on the Hungarian, Polish and Czech Economies During the Global Financial Crisis?*, A. Kliber, Poznań University of Economics and P. Pluciennik, Adam Mickiewicz University, Poznań, Poland.
- 11:45** *Bond Valuation When the Interest-rates are Near the Zero Lower Bound*, J.-Y. Jun and Y. Rakotondratsimba, ECE, Paris, France.
- 12:15** *Lunch and Exhibits*

#### PARALLEL SESSION 2 - ADVANCED MODELLING

- 13:30** *Structure in the Tweet Haystack: Uncovering the Link Between Text-Based Sentiment Signals and Financial Markets*, A. Groß-Klußmann, M. Ebner, Quoniam Asset Management GmbH, Frankfurt and S. König, University of Applied Sciences and Arts, Hannover, Germany.
- 14:00** *Portfolio Theory in Terms of Partial Covariance*, D. Nadler, Kensho Technologies, New York, and Stanford University, and A. Schmidt, Kensho Technologies and NYU School of Engineering, USA.
- 14:30** *The Generalised Box-Cox-ACD-EGARCH Model in the Analysis of Intraday Volatility, Price Durations and Traded Volume on the Warsaw Stock Exchange*, R. Huptas, Cracow University of Economics, Poland.
- 15:00** *Exhibits and Tea*
- 15:30** *Diversification Intensity of Risk Premia*, V. Sogiakas, E. Vagenas-Nanos, University of Glasgow, K. Konstantaras, Heriot-Watt University, UK.
- 16:00** *Modelling Market Implied Ratings Using LASSO Variable Selection Techniques*, P. Zhang, G. Sermpinis and S. Tsoukas, University of Glasgow, UK.
- 16:30** *GARCH Models With a Smoothly Time-Varying Intercept*, J. S. Jakobsen and T. Terasvirta, Aarhus University, Denmark.
- 17:00** *Close of session*

#### PARALLEL SESSION 3 - DATA MINING

- 13:30** *Intraday Herding on a Cross-Border Exchange*, P. Andrikopoulos, University of Coventry, V. Kallinterakis, University of Liverpool, T. Verousis, University of Bath, UK, and M. P. Leite Ferreira, Universidade Católica Portuguesa, Lisbon, Portugal.
- 14:00** *Weekday Effects in the Lead-lag Relationship*, T. Dao, F. McGroarty and A. Urquhart, University of Southampton, UK.
- 15:00** *Exhibits and Tea*
- 15:30** *Oil Predictions Using Combinations of Genetic Algorithms and Partial Swarm Optimizers with Linear and Non Linear Models*, A. Karathanasopoulos, I. Jamali and W. Dbouk, American University of Beirut, Lebanon.
- 16:00** *Modelling and Trading all the Three Types of Crude Oil Future Contracts with Novelty Forecasting Models*, A. Karathanasopoulos, I. Jamali and W. Dbouk, American University of Beirut, Lebanon.
- 16:30** *Close of session*

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

## Day 2: Thursday 26 May 2016

08:30 *Coffee*

### PARALLEL SESSION 4 - MACROECONOMIC EFFECTS

09:30 *Cross-Border Exchanges and Volatility Forecasting*, A. Goyal, V. Kallinterakis, J. Laws, University of Liverpool, and D. S. Kambouroudis, University of Stirling, UK.

10:00 *Are Priced Factors the Proxies for News Related to GDP Growth? - The Chinese Evidence*, Y. Wang, University of York, UK.

10:30 *Exhibits and Coffee*

10:45 *Detecting Multiple Bubbles in China's Stock Market Over a Quarter of a Century*, E. Girardin, Aix-Marseille University, AMSE, CNRS and EHESS, France, and R. Joyeux, Macquarie University, Sydney, Australia.

12:15 *Lunch and Exhibits*

### PARALLEL SESSION 5 - EQUITY MARKETS

09:00 *Another Dividend Anomaly*, B. Healy and C. O'Sullivan, University College Dublin, Ireland.

09:30 *The Length of the Estimation Window in Event Studies: The Case of Equity Block Trade Transactions on the Warsaw Stock Exchange*, B. Kurek, Cracow University of Economics, Poland, H.-J. von Mettenheim, Leibniz Universität, Hannover, Germany, and J. Laws, University of Liverpool, UK.

10:00 *Forecasting Stock Prices with Corporate Earnings, Dividends and the Oil Price: Empirical Evidence from the US Oil Industry*, F. Kunze, T. Basse, Nord/LB, H.-J. von Mettenheim and C. Wegener, Leibniz Universität, Hannover, Germany.

10:30 *Exhibits and Coffee*

10:45 *Closing the Gap Between Equal- and Value-Weighting*, L. Kaiser, University of Liechtenstein.

11:15 *Bootstrap Aggregated Universal Portfolios*, D. Edelman and E. Goryagina, University College, Dublin.

12:15 *Lunch and Exhibits*

### PARALLEL SESSION 6 - FORECASTING

14:00 *EWS-GARCH: New Regime Switching Approach to Forecast Value-at-Risk*, M. Chlebus, University of Warsaw, Poland.

14:30 *Forecasting Exchange Rates - A Factor Approach*, J. Coakley, University of Essex, M. Hadla, University College London, UK, and S. Snaith, University of Victoria, Canada.

15:00 *Exhibits and Tea*

15:30 *Advances in Forecasting with Recurrent Neural Networks*, H.-G. Zimmermann, Siemens AG, München, Germany.

16:00 *Correlation as Probability: Applications of Sheppard's Formula to Financial Assets*, J. Giner, J. Mendoza and S. Morini, University of La Laguna, Spain.

16:30 *Close of session*

### PARALLEL SESSION 7 - DERIVATIVES

13:30 *Financial Contagion and Oil Risk*, K. Guesmi, IPAG Business School, Paris, A. Creti, Université Paris Dauphine et Ecole Polytechnique, J. Chevalier Université Paris 8 et IPAG, et I. Abid, ISC et Université Paris Ouest Nanterre La Défense, France.

14:00 *Option Pricing via Risk-Neutral Density Forecasting*, S. Khrapov, New Economic School, Moscow, Russia.

14:30 *Pricing and Hedging Bond Options and Sinking-Fund Bonds Under the CIR Framework*, M. Larguinho, C. A. Braumann, Universidade de Evora, and J. C. Dias, Instituto Universitario de Lisboa, Portugal.

15:00 *Exhibits and Tea*

15:30 *Open Outcry Versus Electronic Trading: Tests of Market Efficiency on Crude Palm Oil Futures*, S. Snaith, University of Victoria, Canada, N. Kellard, University of Essex, UK, and N. Ahmad, Universiti Utara, Malaysia.

16:00 *The Liquidity Regulation Versus Lender of Last Resort: a Dichotomy? (Pricing Options for Capital Adequacy)*, M. Zeuli, IAG/PUC/RJ and Brazilian Central Bank IAG/PUC/RJ and Brazilian Central Bank, and A. Carvalho IAC/PUC/RJ and BNDES, Rio de Janeiro, Brazil.

16:30 *Option Optimal Delta Hedging*, G. Desvilles, A. Debisschop and F.-X. Dezael, Conservatoire National des Arts et Métiers, Paris, France.

17:00 *Close of session*

19:30 **Conference Dinner**

## Day 3: Friday 27 May 2016

**08:30** *Coffee*

### PARALLEL SESSION 8 - FUND MANAGEMENT AND PORTFOLIO OPTIMISATION

**09:00** *Risk and Risk Premia: A Across Asset Class Analysis*, M. Ebner, Quoniam Asset Management GmbH, Frankfurt, Germany.

**09:30** *Racing for Alpha: The Competition for Risk-Adjusted Returns*, R. McGee, University of Southampton, UK.

**10:00** *A Neural Network-Copula Based Approach to Portfolio Optimization*, G. Sermpinis, C. Stasinakis and Y. Zhao, University of Glasgow, UK.

**10:30** *Exhibits and Coffee*

**10:45** *Krill Herd Support Vector Regression and Heterogeneous Autoregressive Leverage: Evidence from Forecasting and Trading Commodities*, G. Sermpinis, C. Stasinakis, University of Glasgow, I. Psaradellis, University of Liverpool, and T. Verousis, University of Bath UK.

**11:15** *Is Risk-Factor-Based Asset Allocation Superior to Asset-Class-Based Asset Allocation? Evidence From CalPERS and GPIF*, Y. Watanabe, Osaka University, Kinki University and Stanford University, Japan and USA.

**11:45** *Close of session*

**12:00** *Lunch and Exhibits*

### PARALLEL SESSION 9 - TRADING STRATEGIES

**09:00** *140 Characters and their Impact on Financial Markets*, D. Eilers, R. Wiegard, H.-J. von Mettenheim, M. H. Breitner, Leibniz Universität Hannover, Germany.

**09:30** *A Comprehensive Look at the Empirical Performance of Moving Average Trading Strategies*, V. Zakamulin, University of Agder, Norway.

**10:00** *Revisiting Adaptive Market Hypothesis: Technical Trading Rules and Relevance Vector Machines*, A. Hassanniakalager, G. Sermpinis and C. Stasinakis, University of Glasgow, UK.

**10:30** *Exhibits and Tea*

**10:45** *Measuring the Information Content of Trading Signals in Commodity Markets*, P. O'Sullivan, University of Southampton, UK.

**11:15** *Technical Trading Rules Performance the Case of Crude Oil Market*, J. Laws, A. Pantelous, I. Psaradellis, University of Liverpool, and Georgios Sermpinis, University of Glasgow, UK.

**11:45** *Close of session*

**12:00** *Lunch and Exhibits*

## 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 *Quantitative Finance* or to the *Journal of Forecasting* which will publish a special proceedings issue containing selected papers from the Conference.

## Conference Venue:

Conti Campus Tower (14th floor)  
Königsworther Platz 1  
30167 Hannover (Germany)

### 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 8 April 2016 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 2016.**

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 26 May 2016 for which there will be an additional fee of EUR 45.

**Secure online payment on [www.ffmconference.com](http://www.ffmconference.com)**, please follow the relevant payment instructions.

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### **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](http://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](mailto: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](mailto:christian.dunis@orange.fr).

### **Hotel Accommodation:**

Hotel and other practical information can be found on our website: [www.ffmconference.com](http://www.ffmconference.com).

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

- Nicole Brand, Institut für Wirtschaftsinformatik, Königsworther Platz 1, 30167 Hannover (Germany)

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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 2016, subsequently no refund will be given.