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

London 29, 30 and 31 May 2002

Programme Chairs:
Christian Dunis
(CIBEF and Liverpool Business School)
Michael Dempster
(Judge Institute, University of Cambridge)

Industrial Chairs:
Patrick Naïm
(Elseware)
Darren Toulson
(Intelligent Financial Systems Ltd.)

Modelling with high frequency data
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:
Day 1: Wednesday 29 May 2002

08:00 Registration and Coffee
08:45 Opening Address

SESSION 1 - FUND MANAGEMENT AND FUNDS OF FUNDS
09:00 Hedge Funds Risk and Performance Revisited, H. Geman and C. Kharoubi, Essec and University Paris IX Dauphine.
09:30 Diversification in Funds of Hedge Funds: How Much is Enough?, M. Learned and F.-S. Lhabitant, Thunderbird Graduate School of International Management (AZ, USA).
10:00 How to Populate Strategic Asset Allocation with Mutual Funds and Managed Accounts?, A. Munro, Union Bank of Switzerland, London.
10:30 Exhibits and Coffee
10:45 Performance, Style and Persistence of Italian Equity Funds, R. Casarin, M. Lazzarin and D. Sartore, GRETA, Venice.
12:15 Lunch and Exhibits

PARALLEL SESSION 2 - INVESTMENT AND TRADING STRATEGIES
14:00 Traditional Against Alternative Equity Investment: Optimum Strategy Based on Historical Experience and Simulations, J. Laborda, Barclays Bank, and A. Munera, BBVA, Madrid.
14:30 The Hedging Effectiveness of Stock Index Futures: Using the FTSE100 Futures Contract to Hedge Investment Trust Companies, J. Laws and J. Thompson, CIBEF, Liverpool Business School.
15:30 Exhibits and Tea
16:15 The European Single Currency and the Volatility of European Stock Markets, M. Billio, University Ca’ Foscari of Venice, and L. Pelizzon, University of Padua.
16:45 Value and Value at Risk of the S&P, I. Mauleón and R. Sánchez, University Rey Juan Carlos, Madrid.
17:15 Close of session

PARALLEL SESSION 3 - CREDIT RISK AND ANALYSIS
14:00 Correlated Default with Incomplete Information, K. Giesecke, Humboldt-Universität zu Berlin.
14:30 Predicting Default Probabilities for Emerging Markets Bond Portfolios, S. Ciraolo, A. Berardi, University of Verona, and M. Trova, Monte Paschi Asset Management, Milan.
15:00 Inter-Temporal Stability of the European Credit Spread Co-Movement Structure, J. Annaert, A. Claes, University of Antwerp, and M. De Ceuster, University of Antwerp and Deloitte & Touche.
15:30 Exhibits and Tea
15:45 Corporate Bond Spread Factors After Euro Introduction, G. Gabbi, SDA Bocconi, and A. Sironi, Bocconi University, Milan.
16:45 Regime Switching in the Chinese A-Share Market at Different Frequencies, E. Girardin, University of Aix-Marseille II, and Z. Liu, People’s University of China, Beijing.
17:15 Close of session
Day 2: Thursday 30 May 2002

PARALLEL SESSION 4 - ESTIMATING RETURN DISTRIBUTIONS
09:00 Return Interval, Dependence Structure and Multivariate Normality, T. Ané, HEC Lausanne, and C. Labidi, University Paris IX Dauphine.
10:00 Do Extreme Falls Help Forecasting Stock Returns?, E. Başçi, S. Başçi, Bilkent University, Ankara, and G. Iu, City University Business School, London.
10:30 Exhibits and Coffee
10:45 Extreme Returns in a Shortfall Risk Framework, G. Toniolo, R. Casarin and M. Billio, GRETA and University of Venice.
11:45 An Extension of the Generalised Skew Student Distribution, C. Adcock, University of Sheffield.
12:15 Lunch and Exhibits

PARALLEL SESSION 5 - CONTINUOUS TIME FINANCE AND DERIVATIVES MODELS
09:00 A Dynamic Bayesian Algorithm for Continuous Time Spot Rate Estimation, R. Bhar, University of New South Wales, C. Chiarella, University of Technology, Sidney, and W. Runggaldier, University of Padova.
10:00 Applying a 3-Factor Defaultable Term Structure Model to the Pricing of Credit Default Options, B. Schmid and A. Kalemanova, Risklab GmbH, München.
10:30 Exhibits and Coffee
12:15 Lunch and Exhibits

PARALLEL SESSION 6 - FX MARKETS
14:00 Impact of Money and Income on Liquidity in the Forward Market, N. Biekpe, University of Stellenbosch, South Africa.
14:30 Modelling FX Volatility: A Comparative Analysis of the RBF Neural Network Topology, G. Dash and N. Kajiji, University of Rhode Island, Kingston.
15:00 Multi-Fractal Model and European Exchange Rates, J. Fillol, University of Paris X Nanterre.
15:30 Exhibits and Tea
15:45 Farther Away From the Random Walk, the Impact of News on the Dollar Exchange Rate, M. Tivegna, Teramo University.
17:15 Close of session

PARALLEL SESSION 7 - MARKET DYNAMICS AND INVESTMENT
14:00 Optimal Limit Order Strategies, G. Iori and N. Zervos, Kings College, London.
14:30 An Empirical Analysis of XETRA Order Book Data with Applications to Market Liquidity, H. Beltran Lopez, P. Giot and J. Grammig, Université Catholique de Louvain, Belgium.
15:00 The Italian Overnight Market: Microstructure Effects, the Martingale Hypothesis and the Payment System, E. Barucci, University of Pisa, C. Impenna, Bank of Italy, and R. Renò, University of Siena.
15:30 Exhibits and Tea
15:45 A Quantile Regression Analysis of the Cross Section of Stock Market Returns, M. Barnes, Federal Reserve Bank of Boston, and A. Hughes, University of Adelaide.
16:15 A Macro-Perspective of Stock Market Sectors in the US and in the Euro Area, F. Fornari and M. Pericoli, Bank of Italy.
17:15 Close of session
Day 3: Friday 31 May 2002

08:30  Coffee

PARALLEL SESSION 8 – ADVANCED PORTFOLIO OPTIMISATION
09:00  Bottom-Up Portfolio Construction Based on Momentum Agents Applied to Pairs of Assets, A. Vigier, BNP Paribas Asset Management, Paris.
10:00  The Downside of International Equity Markets, R. Campbell, Maastricht University.
10:30  Exhibits and Coffee
10:45  Targeted and Realised Tracking Errors: The Impact of Covariances, D. Morillo and L. Pohlman, PanAgora Asset Management, Boston, MA.
11:45  Decomposing Risk via Time-Varying Betas, R. Bramante, University of Pavia, and G. Gabbi, SDA Bocconi.
12:15  Lunch and Exhibits

PARALLEL SESSION 9 - VOLATILITY AND CORRELATION
09:00  Comparing Risk Forecasts of Conditional and Unconditional VaR Models, B. Saltoglu, Marmara University, Istanbul, and T-H. Lee, University of California at Riverside.
09:30  Long Memory in the Volatility of High Frequency UK Futures, J. Cotter, University College Dublin.
10:00  Two Moment Estimation of Prices and Price Volatility, R. Weaver and W. Natcher, Pennsylvania State University.
10:30  Exhibits and Coffee
11:45  Modelling Volatilities with LSTGARCH Models, G. Dufrénot, V. Marimoutou and A. Péguin-Feissolle, GREQAM, Marseille.
12:15  Lunch and Exhibits

SESSION 10 - ADVANCED MODELLING TECHNIQUES
14:00  Super Fast Calculation of GARCH Correlation, F. Bourgoin, Barclays Global Investors, London.
15:00  Using Support Vector Machines to Trade Aluminium on the LME, Z. Harland, Krueger Research, London.
15:30  Exhibits and Tea
15:45  Decision Support System for Financial Time Series Analysis, A. Skulimowski, UMM, Kraków, Poland.
17:15  End of Conference
Conference Venue:
The Harrington Centre
Harrington Hall
5-25 Harrington Gardens
London SW7 4JW

Registration Fees:
Standard delegate fee: GBP 630. Academics are entitled to a 50% discount (letter on University letterhead required). The fee includes all refreshments and lunches.
Please note that payment must be received at least one week before the Conference begins.
A conference dinner is organised on Thursday 30 May 2002 for which there will be an additional fee of £25 (please register on site on the first day of the Conference).

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Exhibitors: We have a spacious exhibition room available throughout the Conference. For further information and costs please contact Mylène Bazsalicza at Elseware on +331 4458 9340.

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Hotel Accommodation:
We recommend that delegates who wish to stay at Harrington Hall for the duration of the Conference book a room as soon as possible as many conferences will be taking place in London during May.

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