



INSTITUT
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Toulouse School of Economics
May 19-21, 2011

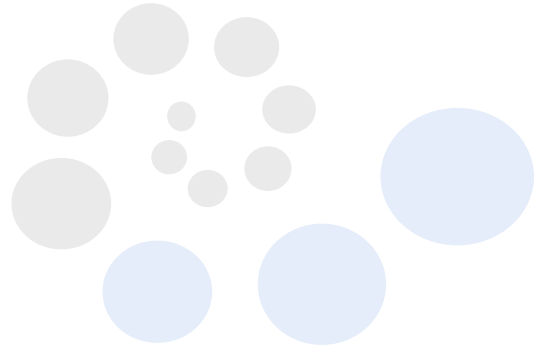
Nonlinear and Financial Econometrics Conference A Tribute to A. Ronald Gallant



Journal of
**APPLIED
ECONOMETRICS**



Conference: Auditorium S
Coffee & Tea Break: Room MS 002
Lunch: Room MS 003



Thursday, May 19, 2011

13h25-13h30 Welcome Address: Jean Tirole and George Tauchen

13h30-15h00 Session T-I. Chair: John Geweke (University of Technology Sydney)

Robert Engle (New York University) [Christian Brownlees (New York University)]:
Volatility, Correlation and Tails for Systemic Risk Measurement
Discussant: **Peter Christoffersen** (University of Toronto)

George Tauchen (Duke University) [Viktor Todorov (Northwestern University), Iaryna Grynkiv (Duke University)]:
Realized Laplace Transforms for Estimation of Jump Diffusive Volatility Models
Discussant: **Torben Andersen** (Northwestern University)

15h00-15h20 Coffee & Tea Break

15h20-16h50 Session T-II. Chair: Tim Bollerslev (Duke University)

Christian Gouriéroux (CREST and University of Toronto) [Patrick Gagliardini (University of Lugano)]:
Correlated Risks vs Contagion in Stochastic Transition Models
Discussant: **Nour Meddahi** (Toulouse School of Economics)

Peter Rossi (University of California at Los Angeles):
Bayesian Density Estimation with Applications in Semi-parametric Problems
Discussant: **Shakeeb Khan** (Duke University)

16h50-17h10 Coffee & Tea Break

17h10-18h45 Session T-III. Chair: Neil Shephard (Oxford-Man Institute, University of Oxford)

Frederic Mishkin (Columbia University):
Monetary Policy Strategy: Lessons from the Crisis
Discussant: **Franck Portier** (Toulouse School of Economics)

Ronald Gallant (Duke University and New York University) [Han Hong (Stanford University), Ahmed Khwaja (Yale University)]:
Bayesian Estimation of a Dynamic Game with Endogenous, Partially Observed, Serially Correlated State
Discussant: **Jean-Pierre Florens** (Toulouse School of Economics)

Friday, May 20, 2011

9h00-10h35 Session F-I. Chair: *Geraldo Souza (University of Brasilia)*

John Geweke (University of Technology Sydney) [**Garland Durham** (University of Colorado)]:

Improving Asset Price Prediction when All Models are False

Discussant: Eric Jacquier (MIT and HEC-Montréal)

Tim Bollerslev (Duke University) [**Viktor Todorov** (Northwestern University)]:

Tails, Fears and Risk Premia

Discussant: Richard Robb (Columbia University)

Ravi Bansal (Duke University) [**Dana Kiku** (University of Pennsylvania), **Amir Yaron** (University of Pennsylvania)]:

An Empirical Evaluation of the Long-Run Risks Model for Asset Prices

Discussant: Roméo Tédongap (Stockholm School of Economics)

10h35-11h05 Coffee & Tea Break

11h05-12h40 Session F-II. Chair: *Stéphane Villeneuve (Toulouse School of Economics)*

Eric Renault (University of North Carolina) [**Jonathan Hill** (University of North Carolina)]:

Generalized Method of Moments with Tail Trimming

Discussant: Anders Rahbek (University of Copenhagen)

Eric Ghysels (University of North Carolina) [**Alberto Plazzi** (University of Lugano), **Rossen Valkanov** (University of California at San Diego)]:

Conditional Skewness of Stock Market Returns in Developed and Emerging Markets and its Economic Fundamentals

Discussant: Roger Koenker (University of Illinois)

Garland Durham (University of Colorado):

Using Particle Filters to Construct and Assess Predictive Densities for Asset Prices

Discussant: Bjorn Eraker (University of Wisconsin)

12h40-14h10 Lunch

14h10-15h45 Session F-III. Chair: *Christoph Rothe (Toulouse School of Economics)*

Jianqing Fan (Princeton University) [**Yacine Aït-Sahalia** (Princeton University), **Yingying Li** (Princeton University)]:

Leverage Effect Puzzle: Untangling Biases in High Frequency Estimates

Discussant: Marc Hoffmann (ENSAE)

Neil Shephard (Oxford-Man Institute, University of Oxford) [**Diaa Noureldin** (University of Oxford), **Kevin Sheppard** (Oxford-Man Institute, University of Oxford)]:

Multivariate High-Frequency-Based Volatility (HEAVY) Models

Discussant: Giampiero Gallo (Università di Firenze)

Roberto Pancrazi (Toulouse School of Economics):

Spectral Covariance Instability Test: An Application to the Great Moderation

Discussant: Sophocles Mavroeidis (University of Oxford)

15h45-16h15 Coffee & Tea Break

16h15-18h20 Session F-IV. Chair: *Thierry Magnac (Toulouse School of Economics)*

Yacine Aït-Sahalia (Princeton University):

Option Prices and the Markov Property

Discussant: Eric Renault (University of North Carolina)

Enrique Sentana (CEMFI, Madrid) [**Francisco Penaranda** (Universitat Pompeu Fabra)]:

Duality in Mean-Variance Frontiers with Conditioning Information

Discussant: Caio Almeida (Getulio Vargas Foundation, Rio de Janeiro)

Silvia Gonçalves (Université de Montréal) [**Benoît Perron** (Université de Montréal)]:

Bootstrapping Factor-Augmented Regression Models

Discussant: Valentina Corradi (University of Warwick)

René Garcia (EDHEC Business School) [**Federico Bandi** (Johns Hopkins University), **Abraham Lioui** (EDHEC Business School), **Benoît Perron** (Université de Montréal)]:

A Long-Horizon Perspective on the Cross-Section of Expected Returns

Discussant: Ravi Bansal (Duke University)

19h30- Conference Dinner

Saturday, May 21, 2011

8h45-10h20 Session S-I. Chair: *Nour Meddahi (Toulouse School of Economics)*

Christian Bontemps (Toulouse School of Economics) [**Bruno Feunou** (Duke University), **Nour Meddahi** (Toulouse School of Economics)]:

Testing Multivariate Distributional Assumptions

Discussant: Dante Amengual (CEMFI, Madrid)

Asger Lunde (CREATES, University of Aarhus) [**Neil Shephard** (Oxford-Man Institute, University of Oxford), **Kevin Shephard** (Oxford-Man Institute, University of Oxford)]:

Estimation of Vast Covariance Matrices using High-Frequency Data

Discussant: Nikolaus Hautsch (Humboldt University)

Kaddour Hadri (Queens University Belfast) [**Ruijun Bu** (Liverpool University)]:

A Semi-Parametric Interest Rate Model Based on Reducible Stochastic Differential Equations

Discussant: Bruno Feunou (Duke University)

10h20-10h50 Coffee & Tea Break

10h50-12h25 Session S-II. Chair: *René Garcia (EDHEC Business School)*

Torben Andersen (Northwestern University) [**Dobrislav Dobrev** (Federal Reserve Board of Governors), **Ernst Schaumburg** (Federal Reserve Bank of New York)]:

Integrated Quarticity Estimation: Theory and Practical Implementation

Discussant: Andrew Patton (Duke University)

Anne Vanhems (Toulouse Business School and Toulouse School of Economics) [**Leopold Simar** (Université Catholique de Louvain-la-Neuve)]:

Probabilistic Characterization of Directional Distances and their Robust Versions

Discussant: Patrick Gagliardini (University of Lugano)

Jean-Marie Dufour (McGill University) [Pascale Valéry (HEC Montréal)]:
Wald-Type Tests when Rank Conditions Fail: A Smooth Regularization Approach
Discussant: Anna Simoni (Università Bocconi)

12h25-13h55 Lunch

13h55-15h30 Session S-III. Chair: George Tauchen (Duke University)

Joon Park (Indiana University):
Martingale Regressions for Conditional Mean Models in Continuous Time
Discussant: Jean-Pierre Florens (Toulouse School of Economics)

Walter Distaso (Imperial College London), [Valentina Corradi (University of Warwick), Marcelo Fernandes (Queen Mary University of London)]:
Conditional Alpha and Realized Betas
Discussant: Ai-ru (Meg) Cheng (University of California at Santa Cruz)

Nour Meddahi (Toulouse School of Economics):
Random Expected Value Models
Discussant: Kevin Sheppard (Oxford-Man Institute, University of Oxford)

15h30 Adjourn

Time allocation:

Thursday: 30 minutes for presenter, 10 minutes for discussant, rest of time for the audience.
Friday and Saturday: 20 minutes for presenter, 7 minutes for discussant, rest of time for the audience.

Sponsors: ERC (Grants held by C. Gollier, T. Mariotti and J-C Rochet)
ERID (Economic Research Initiatives @ Duke)
Department of Economics, Duke University
University of North Carolina at Chapel Hill
Journal of Applied Econometrics

Map of Manufacture des Tabacs

Conference venue:

Université Toulouse 1 Capitole
Toulouse School of Economics
Manufacture des Tabacs
Building S – Auditorium S
21, allée de Brienne
31000 Toulouse - France

