CRÉAR ESSEC Research Center on Risk

CREAR Newsletter # 2
April 2014 – August 2014
http://crear.essec.edu

1. April 2014 – August 2014 preprints and publications (on CREAR topics)

(by 1st author alphabetic order, with CREAR members underlined)

- *"The Impact of Systemic Risk on the Diversification Benefits of a Risk Portfolio"*, by M. Busse, M. Dacorogna and M. Kratz, Risks 2, 2014.
- *"Robust Cointegration Testing in the Presence of Weak Trends, with an Application to the Human Origin of Global Warming"*, G. Chevillon, Econometric Reviews (forthcoming)
- *"Multi-step forecast error corrections: A comment on 'Evaluating predictive densities of US output growth and inflation in a large macroeconomic data set', by B. Rossi and T. Sekhposyan"*, by G. Chevillon, International Journal of Forecasting, 30 (2014).
- *"An Extreme Value Theory approach for the early detection of time clusters. A simulation-based assessment and an illustration to the surveillance of Salmonella"*, by A.Guillou, M. Kratz, Y. Le Strat. Statistics in Medicine, 2014 (forthcoming).
- *"Normex, a new method for evaluating the distribution of aggregated heavy tailed risks. Application to risk measures."*, by M. Kratz, Extremes, Special issue on *Extremes and Finance*, 2014 (forthcoming).
- "*A Note of the Pricing of Spark Spread Option with Co-Dependent Threshold Dynamics*", by R. Id Brik, Argo review (http://energisk.org), Spring 2014
- "*Monetary Measurement of Risk: a Critical Overview, Part II: Coherent Risk Measures*", by L. Lecesne and A. Roncoroni, Argo review (http://energisk.org), Spring 2014
- *"Did Facebook overvalue WhatsApp?"*, L. Paugam, Accountancy Live, February, 2014
- *"La communication sur les dépréciations est-elle valorisée par les marchés financiers ?"*. L. Paugam, Option Finance, May, 2014
- *"Evaluation financière de la marque",* by H. Philippe, L. Paugam, D. Aguilar, Economica: Paris, 2014

2. April 2014 – August 2014 seminars and conferences (on CREAR topics)

a. Seminars

By G. Chevillon

- "*Detecting and Forecasting Large Deviations and Bubbles in a Near-Explosive Random Coefficient Model.*", Faculty of Economics & Business, Leibniz University of Hannover, Germany

b. Conferences / workshops

By P. André:

- *"Goodwill Related Mandatory Disclosure and the Cost of Equity Capital",* 35ème Congrès de l'Association Francophone de Comptabilité (AFC), Lille (France), May 28, 2014
- *"The Simultaneous Relation Between Segment Disclosure Quality and Quantity",* 37th European Accounting Association (EAA) Annual Congress, Tallinn (Estonia), May 23, 2014
- *"Determinants of Internal Audit Function Quality: An International Study",* 20th Annual International Symposium on Audit Research (ISAR 2014), Maastricht University, Maastricht (Netherlands), June 21, 2014

By M. Cadena:

- *"On a generalization of some Karamata and standard EVT characterizations",* RARE invited

session, 7th International Workshop on Applied Probability (IWAP 2014), Antalya, Turkey, June 16-19, 2014
- *“Mortality projection models based on transforms of survival functions*”, Insurance: Mathematics and Economics (IME) conference, Shanghai, China, July 10-12, 2014
- *“On a generalization of some Karamata and standard EVT characterizations”,* RARE Workshop, Nankai University, China, July 14-16, 2014

By G. Chevillon:
- “*The Shadow of a Doubt*", Annual Symposium of the Society for Nonlinear Dynamics and Econometrics (SNDE), New York City, April 2014
- "*Bigger than Large? Long Memory through Marginalizing*", ESSEC-CENTRALE Big Data conference, La Défense, May, 2014
- *"Detecting and Forecasting Large Deviations and Bubbles in a Near-Explosive Random Coefficient Model"*, Forecasting & Empirical Methods of the Summer Institute of the National Bureau of Economic Research (NBER), Cambridge MA, July 12-17, 2014.
- *"Detecting and Forecasting Large Deviations and Bubbles in a Near-Explosive Random Coefficient Model"*, Contributed Session, Econometric Society European Meeting, Toulouse, August 25-29

By A. Filip:
- *The Simultaneous Relation Between Segment Disclosure Quality and Quantit*y, 50th British Accounting and Finance Association (BAFA) 2014 Annual Conference, British Accounting and Finance Association (BAFA), London (UK), April 14, 2014
- *35ème Congrès de l'Association Francophone de Comptabilité (AFC)*,Association Francophone de Comptabilité (AFC), Lille (France), May 28, 2014
- *Impact Mandatory IFRS Adaption on Conditional Conservatism in Europe 2014 Journal of Business Finance & Accounting Conference*, University of Queensland Business School, Brisbane (Australia), June 6, 2014
- *The International Journal of Accounting Symposium*, University of São Paulo, Brazil, July 19, 2014

By M. Kratz:
- *Invited Session* on *Risk Analysis, Ruin & Extremes,* 7th International Workshop on Applied Probability (IWAP 2014), Antalya, Turkey, June 16-19, 2014.
- Workshop organized by CREAR and BFA-SFdS on “*Small Data*”, 13ème Congrès des Actuaires, Paris, France, June 20, 2014
- Member of the Scientific Committee of the *IRFRC Conference*, Nanyang Business School, Singapore, June 26, 2014
- *“Quantitative Risk Management - Optimizing the portfolio of Asian Insurances”.* Executive workshop at ESSEC Asia Pacific, Singapore, June 24-25, 2014 with Dr. Michel Dacorogna (SCOR).
- *“Pot-pourri on* RARE *topics”*, RARE Workshop, Nankai University, China, July 14-16, 2014
- *“On a generalization of some Karamata and standard EVT characterizations”*, RARE contributed session, 37th Stochastic Processes and Applications (SPA), Buenos Aires, Argentina, July 28 – Aug. 1, 2014

By J. Li:
- *“Market Fear, Volatility and Risk Management*”, Executive workshop at ESSEC Asia Pacific, Singapore, - July 10-11, 2014

By L. Paugam:
- *"Determinants and consequences of credit ratings actions during bull vs. bear markets",* European Accounting Association Annual Meeting, Tallinn, Estonia, May 21, 2014
- *“Impact of Mandatory IFRS Adoption on Conditional Conservatism in Europe”,* with P. André*,* A. Filip*.* European Accounting Association Annual Meeting, Tallinn, Estonia, May 21, 2014
- *"Impact of Mandatory IFRS Adoption on Conditional Conservatism in Europe",* with P. André, A.

Filip, 2014 Journal of Business Finance and Accounting Capital Markets Conference*,* JBFA - University of Queensland Business School, Brisbane, Australia, June 4, 2014

- *"Using Real Activities to Avoid Goodwill Impairment Losses: Evidence and Effect on Future Performance",* with T. Jeanjean, A. Filip, 2014 Journal of Business Finance and Accounting Capital Markets Conference*,* JBFA - University of Queensland Business School, Brisbane, Australia, June 4, 2014

By C. Stefanescu:

- "*The Dynamics of Trading in Commodity Futures*", CFA Institute, Paris, April 29, 2014
- *"Dislocations in World Index Futures"*, in the session *Financial Markets,* AFFI (Association Française de Finance), Aix en Provence, France, May 19 - 21, 2014
- "*The Dynamics of Trading in Commodity Futures*", & chair of the session "GHG emissions: modeling, implications and markets", EWGFM (Euro Working Group for Commodities and Financial Modelling), Chania, Greece, May 22-24, 2014
- "*The Dynamics of Trading in Commodity Futures*", in the session "Commodity Futures", & discussion on the paper "The 2011 European Short Sale Ban on Financial Stocks: A Cure or a Curse" in the session "Regulation" & chair of the session 'Regulation', FMA Europe (Financial Management Association European Conference), Maastricht, Netherlands, June 11-13, 2014
- "*The Dynamics of Trading in Commodity Futures*", session "Trading in Financial Markets", ERMAS (Annual Scientific Conference of Romanian Academic Economists from Abroad), Cluj Napoca, Romania, August 18-22, 2014

By P. Xu :

- *"A Model of Short-Selling And Security Lending Under Market Segmentation"*, Discussant at SMU Summer Institute of Finance Conference, Singapore Management University - Lee Kong Chian School of Business, June 24-25, 2014
- *"The Tradability Premium of the S&P500 Index",* RARE Workshop, Nankai University, China, July 14-16, 2014

3. April 2014 – August 2014 seminars or workshops/conferences (on CREAR topics) organized by CREAR members

- Working Group on Risk (organized by M. Kratz, with the support of BFA-SFdS & Institut des Actuaires)
- Seminars in Econometrics and Forecasting (organized by G. Chevillon and J. Rombouts)
- GT on Extreme Value Theory, UPMC (Paris 6) (organized by N. Akakpo and O. Wintenberger)
- Executive workshop proposed at ESSEC Asia pacific by M. Kratz and M. Dacorogna (SCOR) on: *Quantitative Risk Management - Optimizing the portfolio of Asian Insurances*.
- Executive workshop proposed at ESSEC Asia Pacific by J. Li on: *Market Fear, Volatility and Risk Management.*

4. April 2014 – August 2014 visits

a. At CREAR

- Prof. Bent NIELSEN, Univ. of Oxford, UK (April 8-10, 2014)
- Prof. Anurag BANERJEE, Durham Business School, UK (April 21-30 & May 21 - June 1, 2014)
- Prof. Bikramjit DAS, SUTD, Singapore (May 5-10, 2014)
- Yen LOK HSIAO, PhD student of Prof. A. McNeil, Heriot-Watt Univ., Edinburgh, Scotland (July 20-26, 2014)

b. By CREAR members

- G. Chevillon
    - NBER (National Bureau of Economic Research,INC), Organization: J. Wright & A.

Timmermann, Summer Institute 2014, Cambridge MA, July 8-11, 2014

- M. Kratz
  - Experts Forum on Risk Measures and Regulation in Insurance, Swiss Re Learning Center (by invitation), Zürich, May 22-23, 2014

5. Miscellaneous

Scientific Committee:

A Scientific Committee has been set up to ensure the relevance of CREAR research. Its role is to:

- discuss, analyze and evaluate CREAR activities
- advise on the latest development in the scientific field
- meet at least once a year
- provide strategic recommendation

Its members are prestigious experts, 3 academics and 3 professionals, internationally recognized in their field on financial risk management. Here is the list (in alphabetic order):

- Dr. Michel Dacorogna (SCOR Scientific Advisor)
- Prof. Paul Embrechts (ETH Zürich, Switzerland)
- Prof. Monique Jeanblanc (Evry University, France)
- Prof. Bent Nielsen (Oxford University, UK)
- Dr. Florence Picard (Institut des Actuaires, France)
- Dr. Dirk Tasche (Prudential Regulation Authority, Bank of England)

Their short-bio is given on: http://crear.essec.edu/home/crear-scientific-committee

Projects*:*

Development of tools in finance: risk management (credit and market risks), portfolio management and behavioral finance, by F. Longin, with students from *Ecole Nationale des Ponts et Chaussées* (Engineering School), Julie Boursin, Victor Challier et Stéphanie Joly, Tools available on the website http://www.longin.fr

Upcoming events:

Energy Finance 2014 Conference, organized by A. Roncoroni with the E. Majorana Foundation and Center for Scientific Culture, Erice, Italy, Sept. 24-26, 2014. Program: http://energyfinance2014

E-quant-Bootcamp (Quantitative Analysis and Modelling for Energy Trading and Risk Management), organized by A. Roncoroni, Lucca, Italy, October 13-17, 2014. Program:http://equant.ikbrokers.com

Extreme Events on Finance, International conference organized by F. Longin, with the support of CREAR. Abbaye de Royaumont, France, December 15-17, 2014. Deadline **to submit** papers: **September 30, 2014**. Registration **before November 15, 2014**. Program: http://extreme-events-in-finance.essec.edu

CREAR meeting with its *Scientific Committee* (to be confirmed):
Abbaye de Royaumont, following the *International conference on Extreme Events on Finance*, December 17 (afternoon), 2014

PARTY 2015 - ***P****erspectives on* ***A****ctuarial* ***R****isks in* ***T****alks of* ***Y****oung researchers*- Officially sponsored by the Bernoulli Society. Topic: *Risk Analysis, Ruin and Extremes*. Hard Days Night Hotel, Liverpool, UK, Jan. 11-16, 2015. Registration for PhD students and Postdocs: **before October 15, 2014.** See the program: http://www.liv.ac.uk/party2015.

Upcoming visits:

- Dr. Romuald KENMOE, Research assistant in Mathematics and Finance, Bicocca University of

Milan, Italy

Books, forthcoming or under preparation*:*

- *Under preparation*: Handbook edited by F. Longin, Extreme events in finance, to be published by Wiley in 2014-2015. With the participation to the handbook of L. Bibard & J.-M. Choffray (ESSEC) and M. Kratz (ESSEC, CREAR).
- Forthcoming: *Handbook of Multi-Commodity Markets and Products: Structuring, Trading and Risk Management.* A. Roncoroni, G. Fusai, M. Cummins, Wiley (2014)

CREAR in press (see http:// crear.essec.edu/home/crear-in-press)**:**

- 'Actuaire : un Métier en or !', Finance Grandes Ecoles & Universités, June 2014