CREAR Newsletter # 3

September 2014 – December 2014

http://crear.essec.edu

1. Sept. 2014 – Dec. 2014 preprints and publications

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

- *Comptabilité, Contrôle et Audit.* by P. André In: Encyclopédie de la stratégie (with R. Labelle). Paris (France): Vuibert (2014)
- *"An extension of the class of regularly varying functions",* by M. Cadena, M. Kratz, ESSEC working paper 1417 (2014)
- *"Robust Cointegration Testing in the Presence of Weak Trends, with an Application to the Human Origin of Global Warming",* by G. Chevillon, Econometric Reviews 20 (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 33 (2014)
- *"Normex, a new method for evaluating the distribution of aggregated heavy tailed risks. Application to risk measures."*, by M. Kratz, Extremes 17(4), Special issue on *Extremes and Finance* (2014)
- *"On the capacity functional of excursion sets of Gaussian random fields on R2"*, by M. Kratz, W. Nagel, ESSEC working paper 1416 (2014)
- *" Switching Costs in Competitive Health Insurance Markets."* by K. Lamiraud, In: Anthony J. Culyer (ed.), Encyclopedia of Health Economics, Vol 3 (2014)
- "*Self-Exciting Jumps, Learning, and Asset Pricing Implications*", by A. Fulop, J. Li, J. Yu, Review Financial Studies, Oxford University Press (2014)
- *"The cluster index of regularly varying sequences with applications to limit theory for functions of multivariate Markov chains",* by T. Mikosch and O. Wintenberger, Probab. Th. Rel. Fields 159 (2014)
- *"Is the S&P500 Index Tradable?*, by P. Xu, Journal of Index Investing (Winter 2014)

2. Sept. 2014 – Dec. 2014 seminars and conferences

a. Seminars

By M. Kratz

- "*On the aggregation of heavy-tailed risks*". QRFE, Durham Business School, UK, Nov. 28, 2014

By K. Lamiraud

- " *Switching Costs in Competitive Health Insurance Markets".* WG Risk - ESSEC, Dec. 11, 2014

b. Conferences / workshops

By G. Chevillon

- "*Detecting and Forecasting Large Deviations and Bubbles in a Near-Explosive Random Coefficient Model*". with A. Banerjee and M. Kratz, 25th (EC)² Conference on Advances in Forecasting, Universitat Pompeu Fabra, Barcelona, 12-13 December 2014
- "*Sentiments driven buoyancy*", with A. Banerjee and M. Kratz. 7th International Conference of the CFE-ERCIM Consortium and University of Pisa, Pisa, Italy, 6 Dec. 2014

- “*Long Memory through Marginalization*” with A. Hecq (Maastricht) and S. Laurent (AMSE and Greqam)
    - Econometric Modelling in a Rapidly Changing World, 1-2 September 2014, Oxford Martin School, Oxford
    - 15th Oxmetrics Users Conference, Cass Business School, City University, London

By M. Kratz

- “On *risk aggregation and diversification benefit*”, International Conference on *Extreme events in Finance*, Royaumont Abbey, France, Dec.15-17, 2014
- *“Setting the risk appetite in presence of systemic risk*”.
    - Invited speaker*,* ATRC Conference, Edinburgh, UK, Dec.1-2, 2014
    - Keynote speaker at the inaugural ERM Conference on ‘Growing Appetite in Asia’ by the Singapore Actuarial Society, Singapore, Nov. 13-14, 2014
- *‘An introduction to EVT’,* mini workshop at Durham Business School, Nov. 29, 2014

By V. Esposito-Vinzi

- *Organized session:* 7th International Conference of the ERCIM Working Group on Computational and Methodological Statistics (ERCIM 2014), CFE-ERCIM Consortium and University of Pisa, Pisa, Italy, Dec. 2014*:*
    - *"Quantile PLSPM versus classical PLSPM: methods, performances and interpretations",* (with C. Davino, P. Dolce)
    - *"NIPALS algorithms for Kronecker structured covariance matrices*", (with L. Trinchera, P. Dolce, A. Hero)
- *"Component-based Multi-block Path Modeling for building Composite Indicators*", (with L. Trinchera, G. Russolillo). Conference of European Statistics Stakeholders, University of Rome La Sapienza, Rome, Italy, Nov. 25, 2014
- International Statistical Institute Regional Statistical Conference 2014 - *Statistical Science for a Better Tomorrow*, International Statistical Institute (ISI), South East Asia Regional Network, Bank Negara Malaysia (BNM), Department of Statistics, Malaysia (DOSM), Malaysia Institute of Statistics (ISM*), Kuala Lumpur, Malaysia, Nov. 18, 2014*
    - *"Professional Ethics in Statistical Practice and the Impact of Big Data"*
    - *"Advances in Component-based Predictive Path Modeling Approaches: Non-Symmetrical, Multi-Component and Non-Metric Methods with Business-related Applications",* (with P. Dolce, G. Russolillo, L. Trinchera)

By F. Longin and G.Pagliardi

“*The price-volume relationship: an extreme point of view*”, International Conference on *Extreme events in Finance*, Royaumont Abbey, France, Dec.15-17, 2014

By P. Xu

“The Tradability Premium of the S&P 500 Index”. Australasian Banking and Finance Conference, Sydney, Australia, Dec 16-18, 2014

3. **Sept. 2014 – Dec. 2014 seminars or workshops/conferences organized by CREAR members**

- *Extreme Events on Finance*, International conference organized by F. Longin, with the support of CREAR. Abbaye de Royaumont, France, Dec. 15-17, 2014. Program: http://extreme-events-in-finance.essec.edu
- *Workshop on Expectations & Forecasting* at Banque de France. Co-organized by G. Chevillon, Dec. 10, 2014.
- 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
- *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

- 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, P. Naveau, O. Wintenberger)

4. Sept. 2014 – Dec. 2014 visits

a. At CREAR

- Prof. Jiro AKAORI, Research Center For Finance, Ritsumeikan Univ., Japan (Dec. 9-11, 2014)
- Hyeri YU (student), Research Center For Finance, Ritsumeikan Univ., Japan (Dec. 8-11, 2014)
- Dr. Romuald KENMOE, Research assistant in Mathematics and Finance, Bicocca University of Milan, Italy (Oct.2014-June 2015)

b. By CREAR members

- G. Chevillon
  - Greqam Aix-Marseille School of Economics, Nov 1-3, 2014
  - Vrije Univesitate Amsterdam, December 1st, 2014
- F. Jean-Louis
  - IFAM, Liverpool, for the FP7-RARE project, Oct.26-28, 2014
- M. Kratz
  - Heriott-Watt Univ, Edinburgh, UK, Nov.26, Dec 3-4, 2014
  - Durham Business School, UK, Nov. 26-29, 2014

5. Miscellaneous

CREAR Meetings (for which minutes have been sent to all members):

- **Yearly meeting with CREAR Scientific Committee**: Abbaye de Royaumont (following the *International conference on Extreme Events on Finance)*, Dec. 17, 2014. **Thanks again to all participants!** The minutes of the meeting have been also sent to the Scientific Committee.
- **Meeting of the 23rd of October** at La Défense, where we decided to write a statement of purpose for CREAR that would go on the website. Here is the proposal:

  "*CREAR is an open structure to share forces and knowledge on the field of risk. The implicit contract between CREAR members is to contribute to the progress of the field by transversal collaborations. Its members commit to the idea of multidisciplinary research and to the need of pushing forward quantitative risk management in society. They bring to the table their expertise, contacts and research interests. CREAR offers its members a structure to host projects and researchers (invited or students). It also offers a platform to disseminate ideas through the WG-Risk, the seminars on energy risk, the newsletter and the website. It shares its international contacts to establish an extended research network beyond ESSEC and France.*"

Upcoming events:

- 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. See the program: http://www.liv.ac.uk/party2015
- Energy and Commodity Finance executive seminar series, organized by A. Roncoroni and F. Leclerck, starting on March 27, 2015

- 24th European Workshop on Econometrics and Health Economics, co-organized by K. Lamiraud, Royaumont Abbey, Sept. 16-19, 2015

Upcoming visits:

- Prof. S. Vadlamani, TIFR-CAM, Bangalore, April 2014

Books, forthcoming*:*

- Handbook edited by F. Longin, *Extreme Events in Finance*, with the participation, among the authors, of L. Bibard, J.-M. Choffray (ESSEC), M. Kratz. Wiley (2015)
- Handbook edited by A. Roncoroni, G. Fusai, M. Cummins*, Multi-Commodity Markets and Products: Structuring, Trading and Risk Management.* Wiley (Feb. 2015) (http://eu.wiley.com/WileyCDA/WileyTitle/productCd-047074524X.html)