RESEARCH MATTERS
School of Finance and Economics
Research Newsletter

UNIVERSITY OF TECHNOLOGY SYDNEY

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News

Ron Bird and **Jack Gray** have been awarded a research grant of $95,000 by the *International Centre for Pension Fund Management* at the *Rotman School of Management, University of Toronto*. Their proposal, relating to the restructuring of the superannuation industry, was ranked first in the face of strong international competition.

On Tuesday 15 June the School will host an ***NCER Econometrics Workshop***. This will feature the following presentations:

Frank Diebold, University of Pennsylvania, *Modeling and Forecasting Government Bond Yields*
Mike Keane, UTS, *Income Taxation in a Life Cycle Model with Human Capital*
Don Harding, Latrobe University, *Imposing and Testing Monotonicity in Generalized Dynamic Categorical Models of the Business Cycle*
Yacine Ait Sahalia, Princeton University, *Option Pricing and the Markov Hypothesis*

To register please visit the NCER web page at www.ncer.edu.au.

Professor Robert Engle, New York University, the 2003 Nobel Laureate in Economics, will present a Special Seminar at UTS on 21 June.

Visitors

Doug Foster, 4 January to 30 June
Professor of Finance, Australian National University.
Research Interests: Market microstructure; Behavioural finance; Bayesian analysis.

Ser-Huang Poon, 26 January to 31 July.
Professor of Finance, Manchester University
Research Interests: Forecasting volatility; Volatility modelling and trading; Asset pricing in discrete time; Interest rate options.

Hazel Bateman, 1 February to 30 June
Associate Professor of Economics, Australian School of Business, UNSW
Research Interests: Retirement Policy; Pensions; Superannuation.

Ashish Tiwari, 31 May to 4 June
Associate Professor of Finance, , Henry B. Tippie College of Business, The University of Iowa
Research Interests: Asset Pricing, Market Microstructure; Mutual Fund Performance

Upcoming Seminars

02-June, **Zhi Da**, University of Notre Dame,
Decomposing Short-Term Return Reversal.

04-June, **Ashish Tiwari**, University of Iowa,
Modeling the Cross Section of Stock Returns: A Model Pooling Approach. (note 4pm start)

09-June, **Martin Berka**, Massey University,
What Determines European Real Exchange Rates.

15-June, **National Centre for Econometric Research Econometrics Workshop**

21-June, **Robert Engle**, New York University,
Volatility, Correlation and Tails for Systemic Risk Measurement. (note 4pm start)

23-June, **Hefei Wang**, University of Illinois,
Leverage Management in a Bull-Bear Switching Market.

QMF2010

11 — 18 December 2010

Focus: Variable Annuities, Stochastic Volatility, Portfolio Optimisation, Transaction Costs, Energy and Emissions Trading and other areas of Quantitative Finance

For further information see the QMF2010 conference website at: www.qfrc.uts.edu.au/qmf

Published — Articles and Books

Bagna, E., Bini, M., **Bird, R.**, Momente, F. & Reggiani, F. 2010, Accounting for Executive Stock Options: What can be Learn from the Markets Perceptions, *Journal of International Financial Management and Accounting* 21 (2) 161-186.

Chen, C., Comerton-Forde, C., **Gallagher, D.R.** & **Walter, T.S.** 2010, Investment manager skill in small-cap equities, *Australian Journal of Management*, 35 (1) 23-49.

Papers and Book Chapters Accepted

Chiarella, C., Flaschel, P. & Hung, H. 2010, Keynesian Disequilibrium Dynamics: Estimated Convergence, Roads to Instability and the Emergence of Complex Business Fluctuations, *Econophysics special issue of the journal AUCO,* forthcoming.

Comerton-Forde, C., **Gallagher, D.R.**, Nahhas, J. & **Walter, T.S.** 2010, Transaction Costs and Institutional Trading in Small-cap Equity Funds, *Australian Journal of Management*, forthcoming.

Goldbaum, D. & Panchenko, V. 2010, Learning and adaptation's impact on market efficiency, *Journal of Economic Behavior and Organization*, forthcoming.

Conference and Seminar Presentations

D.R. Gallagher, Brokerage Service and Individual Investor Trade Performance, (with K. Fong & **A. Lee**), Seminar, University of Western Australia, May.

C-Y. Hsiao, Risk Premia and Wishart Term Structure Models, (with **C .Chiarella** & T-D. To), *Society for Nonlinear Dynamics and Econometrics 18th Annual Symposium,* Novara, Italy, April.

E. Platen, Valuing Guaranteed Minimum Death Benefits, UNSW Actuarial Studies Research Seminar, Sydney, March.

E. Platen, Empirical Properties of a Diversified Global Stock Index, invited lecture, *Workshop on Stochastics, Control and Finance*, London, April.

E. Platen, Stylized Empirical Facts on Diversified Indices, invited lecture ,*Workshop on Financial Econometrics*, Fields Institute, Toronto, April.

Paul Woolley Centre for the Study of Capital Market Dysfunctionality
Workshop Program , UTS,
Thursday 15 April 2010

Frank Ashe, Macquarie University, *How Will We Come Out of the GFC?*

Philip Gharghori, Monash University, *Value Versus Growth: Australian Evidence*.

Ron Bird, UTS, *An Update on Current Research at the Paul Woolley Centre.*

Jordan Louviere, CenSoc, UTS, *Superannuation and Consumer Choice*.

Paul Woolley, London School of Economics, *Manifesto for Giant Funds*.

Peter Swan, UNSW*, Are Households More Sophisticated Investors than Delegated Monitors?*

Working Papers

Henckel, T., **Menzies, G.D.** & Zizzo, D.J. 2010, *Inferential Expectations and the Missing Middle of Price Changes*, University of East Anglia School of Economics Applied Econometrics and Policy Working Paper 8/2010.

QFRC Research Papers

271. Xue-Zhong He and Lei Shi. *Differences in Opinion and Risk Premium*.
272. Jörg Kienitz and Manuel Wittke. *Option Valuation in Multivariate SABR Models.*
273. Carl Chiarella and Corrado Di Guilmi. *The Financial Instability Hypothesis: A Stochastic Microfoundation Framework.*
274. Mark Craddock and Kelly A. Lennox. *Lie Symmetry Methods for Multidimensional Linear, Parabolic PDES and Diffusions.*
275. Carl Chiarella, Roberto Dieci and Xue-Zhong He. *Time-Varying Beta: A Boundedly Rational Equilibrium Approach.*
276. Carl Chiarella and Chih-Ying Hsiao. *Optimal Investment Strategies under Stochastic Volatility – Estimation and Applications.*
277. Carl Chiarella, Chih-Ying Hsioa and Ming Xi Huang. *A Survey of Non-linear Methods for No-arbitrage Bond Pricing.*

Copies of the papers are available at: http://www.business.uts.edu.au/qfrc/research/rp2010.html

If you would like to contribute an item to FERN contact Lakmali.Dias@uts.edu.au