Toulouse School of Economics
May 19-21, 2011

Nonlinear and Financial Econometrics Conference
A Tribute to A. Ronald Gallant
13h25-13h30 Welcome Address: Jean Tirole and George Tauchen

13h30-15h00 Session T-I. Chair:

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:

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:

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:**

**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:**

**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:**

**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:

**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), Benoit Perron (Université de Montréal)]: A Long-Horizon Perspective on the Cross-Section of Expected Returns  
*Discussant: Ravi Bansal* (Duke University)

19h30- Conference Dinner

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Saturday, May 21, 2011

8h45-10h20 Session S-I. Chair:

**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** (CREATE, University of Aarhus) [Neil Shephard (Oxford-Man Institute, University of Oxford), Kevin Sheppard (Oxford-Man Institute, University of Oxford)]: Estimation of Vast Covariance Matrices using High-Frequency Data  
*Discussant: Nikolaus Hautsch* (Humbold 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:

**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:

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