20TH (EC)²-CONFERENCE
REAL TIME ECONOMETRICS
CREATES, Aarhus University, Denmark 18-19 December 2009

Program

Thursday 17 December, Hotel Radisson SAS

18.30-21.30: Registration and Buffet Dinner Reception at Hotel Radisson SAS

Friday 18 December, Nobelparken Aarhus University

8.30-9.00: Registration

Session 1 **Chair:** Peter Hansen, Stanford University and CREATES, program chair)

9.00-9.45 Allan Timmermann, University of California, San Diego and CREATES (Invited speaker)
New Tests of Forecast Rationality

9.45-10.15 Dimitris Korobilis, University of Strathclyde
Forecasting Inflation Using Dynamic Model Averaging
(coauthor: Gary Koop)

10.15-10.45 Michael McCracken, Federal Reserve Bank of St. Louis
Nested Forecast Model Comparisons: A New Approach to Testing Equal Accuracy
(coauthor: Todd E. Clark)

10.45-11.15 Coffee Break

Session 2 **Chair:** Torben G. Andersen, Northwestern University and CREATES

11.15-11.45 Christian Brownlees, New York University
Intra-daily Volume Modeling and Prediction for Algorithmic Trading
(coauthors: Fabrizio Cipollini and Ciampiero M. Gallo)

11.45-12.15 Daniel Rittler, University of Heidelberg
Price Discovery, Causality and Volatility Spillovers in the European Union Allowances Phase II: A High Frequency Analysis

12.15-12.45 Nikolaus Hautsch, Humboldt-Universität zu Berlin
Modelling and Forecasting Liquidity Supply Using Semiparametric Factor Dynamics
(coauthors: Wolfgang Karl Härdle and Andrija Mihoci)

CREATES Center for Research in Econometric Analysis of Time Series
Danish Agency for Science Technology and Innovation
Ministry of Science Technology and Innovation
EUROPEAN CENTRAL BANK
EUROSYSTEM
DANMARKS GRUNDFORSKNINGSFOND
DANISH NATIONAL RESEARCH FOUNDATION
SCHOOL OF ECONOMICS AND MANAGEMENT
FACULTY OF SOCIAL SCIENCES
AARHUS UNIVERSITY

12.45-13.45 Lunch

Poster session 1 - Forecasting and Empirical Macro
13.45-14.45 See list of posters below

Session 3 **Chair:** Tom Engsted, Aarhus University and CREATES
14.45-15.30 Serena Ng, Colombia University (Invited speaker)
Dynamic Hierarchical Models
(coauthors: Emanuel Moench and Simon Potter)
15.30-16.00 Dennis Kristensen, Columbia University and CREATES
Testing Conditional Factor Models
(coauthor: Andrew Ang)

16.00-16.15 Break

Session 4 **Chair:** Timo Teräsvirta, Aarhus University and CREATES
16.15-16.45 Alain Hecq, Maastricht University
On the VAR-VECM Representation of Real Time Data
(coauthor: Jan P.A.M. Jacobs)
16.45-17.15 A. Ronald Gallant, Duke University
Habit, Long Run Risks, Prospect? A Statistical Inquiry
(coauthor: Eric Aldrich)

18.00-19.00 Bowling
19.30-23.00 Conference Dinner, Restaurant Richters (Musikhuset)

Saturday 19 December, Nobelparken Aarhus University

Session 5	**Chair:** Asger Lunde, Aarhus University and CREATES
9.00-9.45	Jonathan Wright, John Hopkins University (Invited speaker) *Risk Premia on Long-Term Bonds: International Evidence*
9.45-10.15	Georg Strasser, Boston College *Why Do Certain Macroeconomic News Announcements Have A Big Impact On Asset Prices?* (coauthors: Thomas Gilbert, Chiara Scotti and Clara Vega)
10.15-10.45	Eric Ghysels, University of North Carolina *Should macroeconomic forecasters use daily financial data and how?* (coauthors: Elena Andreou and Andros Kourtellos)
10.45-11.15	Coffee Break
Session 6	**Chair:** Tim Bollerslev, Duke University and CREATES
11.15-11.45	Kevin Sheppard, University of Oxford *Good Volatility, Bad Volatility: Signed Jumps and the Persistence of Volatility* (coauthor: Andrew J. Patton)
11.45-12.15	Almut Veraart, Aarhus University and CREATES *Stochastic volatility and stochastic leverage* (coauthor: Luitgard A. M. Veraart)
12.15-12.45	Werner Ploberger, Washington University, St. Louis *Rate optimal tests for jumps in diffusion processes* (coauthor: Taesuk Lee)
12.45-13.45	Lunch

Poster session 2 - Realized Measures, Volatility, Liquidity, and Long Memory

13.45-14.45	See list of posters below

Session 7	**Chair:** Christian Dahl, Aarhus University and CREATES
14.45-15.30	Siem Jan Koopman, VU University Amsterdam, Tinbergen Institute (Invited speaker) *A General Framework for Observation Driven Time-Varying Parameter Models*
15.30-16.00	Anthony Garratt, University of London *Measuring Output Gap Uncertainty* (coauthors: James Mitchell and Shaun P. Vahey)
16.00-16.15	Break
Session 8	**Chair:** Niels Haldrup, Aarhus University and CREATES
16.15-16.45	Lada Kyj, Humboldt-Universität zu Berlin *A blocking and regularization approach to high dimensional realized covariance estimation* (coauthors: Nikolaus Hautsch and Roel C.A. Oomen)
16.45-17.15	Kim Christensen, Aarhus University and CREATES *Pre-averaging estimators of the ex-post covariance matrix in noisy diffusion models with non-synchronous data* (coauthors: Silja Kinnebrock and Mark Podolskij)

End of conference

Friday - Poster session 1 - Forecasting and Empirical Macro

13.45-14.45 Albert Lee Chun, Copenhagen Business School
Forecasting Interest Rates and Inflation: Blue Chip Clairvoyants or Econometrics?

Paola Donati, European Central Bank
The Effect of Conventional and Unconventional Monetary Policy on the Money Market Spreads in the Euro Area

Jana Eklund, Bank of England
Forecasting in the presence of recent and recurring structural change
(coauthors: George Kapetanios and Simon Price)

Kameliya Filipova, University of St. Gallen
Yield Curve Predictability, Regimes, and Macroeconomic Information: A Data-Driven Approach
(coauthor: Francesco Audrino)

John W. Galbraith, McGill University
Nowcasting spending and inflation using payments system data
(coauthors: Greg Tkacz)

Giampiero Gallo, Università di Firenze
Disentangling systemic and idiosyncrasy in large panels of volatilities. A Seminonparametric Vector MEM
(coauthors: Matteo Barigozzi, Christian T. Brownlees, and David Veredas)

Christian Hafner, UCL, Louvain-la-Neuve
The diffusion limit of dynamic conditional correlation models
(coauthors: Sebastien Laurent and Francesco Violante)

Ulrich Homm, University of Bonn
Testing for Speculative Bubbles in Stock Markets: A Comparison of Alternative Methods
(coauthor: Jörg Breitung)

Kirstin Hubrich, European Central Bank
Forecast Evaluation of Small Nested Model Sets
(coauthor: Kenneth D. West)

Anders Bredahl Kock, Aarhus University and CREATES
Forecasting with Universal Approximators and a Learning Algorithm

Johannes Tang Kristensen, Aarhus University and CREATES
Macroeconomic Forecasting using Robustified Diffusion Indexes
(coauthors: Christian Dahl og Allan Würtz)

Joelle Liebermann, Université Libre de Bruxelles
Rel Time Nowcasting of GDP: Factor Model versus Professional Forecasters

Rafael Martins de Souza, Getulio Vargas Foundation
A State-Space Model for Constructing Coincident and Leading Indices of Economic Activity for the U.S. Economy with Variable Weights
(coauthors: João Victor Issler and Farshid Vahid)

Michele Modugno, European Central Bank
An Area Wide Real Time Data Base for the Euro Area
(coauthors: Domenico Giannone, Jérôme Henry and Magdalena Lalik)

Gianluca Moretti, Banca d'Italia
Real time forecasts of inflation: the role of financial variables
(coauthor: Libero Monteforte)

Pavol Povala, University of Lugano
Understanding the term structure of yield curve volatility
(coauthor: Anna Cieslak)

Francesco Violante, FUNDP Namur and CORE UCLouvain
On loss functions and ranking of multivariate volatility models
(coauthors: Sébastien Laurent and Jeroen V.K. Rombouts)

Tim Willems, University of Amsterdam
Visualizing the Invisible: Estimating the New Keynesian Output Gap via a Bayesian Approach

Saturday - Poster session 2 - Realized Measures, Volatility, Liquidity, and Long Memory

13.45-14.45 Nektarios Aslanidis, University Rovira Virgili
Modelling stock correlations during the recent financial crisis: A semi-parametric approach
(coauthor: Isabel Casas)

Pierre Bajgrowicz, University of Geneva
Detecting spurious jumps in high frequency data
(coauthor: Olivier Scaillet)

Karim Bannouh, Erasmus School of Economics
Realized Mixed-Frequency Factor Models
(coauthors: Martin Martens, Roel Oomen and Dick van Dijk)

Luc Bauwens, UC Louvain
On marginal likelihood computation in change-point models
(coauthor: Jeroen V.K. Rombouts)

Dick van Dijk, Erasmus University Rotterdam
Time Variation in Asset Return Dependence: Strength or Structure?
(coauthors: Thijs Markwat and Erik Kole)

Heejoon Han, National University of Singapore
Nonstationary Semiparametric ARCH Models
(coauthor: Shen Zhang)

Eric Hillebrand, Louisiana State University
Asymmetries, Breaks, and Long-Range Dependence: An Estimation Framework for Daily Realized Volatility
(coauthor: Marcelo C. Medeiros)

Shinsuke Ikeda, Boston University
Multivariate Two Scale Realized Kernels

Pawel Janus, VU University Amsterdam
Spot variance path estimation and its application to high frequency jump testing
(coauthors: Charles S. Bos and Siem Jan Koopman)

Kerstin Kehrle, University of Tuebingen
International Price Discovery in Stock Markets - A Unique Intensity Based Information Share
(coauthor: Franziska J. Peter)

Olfa Maalaoui, Korean Advanced School of Science and Technology
Detecting Regime Shifts in Corporate Credit Spreads
(coauthors: Georges Dionne and Pascal François)

Robert O'Neill, University of Manchester
A Cholesky-MIDAS model for predicting stock portfolio volatility
(coauthors: Ralf Becker and Adam Clements)

Paolo Santucci de Magistris, University of Pavia
Fractional Cointegration and Level Shifts in the Realized and Implied Volatility Relation
(coauthor: Bent Jesper Christensen)

Valeri Voev, Aarhus University and CREATES
On the Economic Evaluation of Volatility Forecasts

Tommi Vuorenmaa, University of Helsinki
Liquidity, Activity, and Dependence on Interlinked Trading Venues

Marc Wildi, University of applied sciences, Zurich
A real-time recession indicator for the US

Jin-Huei Yeh, National Central University
Simultaneous Identification of Integrated Volatility and Noise Variance
(coauthors: Jying-Nan Wang and Yu-Ping Hu)

Yang Zu, University of Amsterdam
Estimate realized spot volatility with high frequency financial data
(coauthor: Peter Boswijk)