

May 5th

Session 5: Risk measurement

Chair: **M. Kopa**, Charles University, Prague

8:30 **M. Kallio**, H. Virta.

Dynamic Lindahl equilibrium under uncertainty: a model for global cooperation on climate change

8:50 **J. Valecky**.

Modeling probability of insured accident by negative-binomial model

9:10 **S. Angilella**, S. Mazzú.

Innovation financing: a multicriteria bank rating model

9:30 **J. Malagon**, D. Moreno, R. Rodríguez.

Time horizon trading and the idiosyncratic risk puzzle

9:50 **G. Cannas**, G. Masala, M. Micocci.

A stochastic model for the sustainable investment policy in a defined benefit pension fund

10:30 **H. Shalit**.

Testing the mean-Gini financial market equilibrium conditions

10:30-11:00 Coffee break

Session 6: Energy modelling and risk management

Chair: **L. Mastroeni**, Roma Tre University, Rome

11:00 A. Caridi, A. Rota, **S. Stefani**.

Effectiveness of incentives for renewables in electricity Generation

11:20 **K. Andriosopoulos**, N. Nomikos.

Risk management in the energy markets and value at risk modelling: a hybrid approach

11:40 **C. Lucheroni**.

SAS (Spike-AntiSpike) nonlinear models for electricity prices

12:00 N. Angelini, **G. Bormetti**, S. Marmi, F. Nardini.

Are returns of a stock index predictable? An empirical approach and a model of price dynamics

12:20 **H. Hafsa**.

CVaR in portfolio optimization: An essay on the French Market

12:40 **M. Pesta**.

Errors-in-variables models with dependent errors

13:00 **Closing Remarks**

R.L. D'Ecclesia, Sapienza University of Rome

13:00-14:15 Lunch at Piccolo Abruzzo, via Sicilia, 237

Social Program

May 3rd, Thursday

19:15-20:30 Walking tour around the most famous monuments of Rome (Piazza Venezia, Campidoglio, Fori Imperiali, Colosseo)

May 5th, Saturday

15:00-17:30 Visit to the Vatican Museum and Sistine Chapel

The 50th Meeting of the Euro Working Group for Financial Modelling is sponsored by Sapienza University Research Funds of 2011 and the Faculty of Economics, University of Rome Roma Tre.

Scientific Committee

R.L. D'Ecclesia, Sapienza University of Rome, Italy

R. Castellano, University of Macerata, Italy

L. Mastroeni, Roma Tre University, Italy

Organizing Committee

F. Barcellona, Sapienza University of Rome, Italy

R. Cerqueti, University of Macerata, Italy

M. Ligios, Sapienza University of Rome, Italy

R. Monaco, Sapienza University of Rome, Italy

C. Perruolo, Sapienza University of Rome, Italy



May 3-5 2012

Rome, Italy



*Centro Congressi - Sapienza
Via Salaria, 113 - Rome*



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May 3rd

8:30 **Registration**

9:00 **Welcome and Opening Remarks**

L. Frati, Rector Sapienza University of Rome
R. L. D'Ecclesia, Chair EWGFM

Invited Lectures

Chair: **J. Spronk**, Erasmus University, Rotterdam

9:30 **A. Malliaris**, Loyola University, Chicago
Asset Bubbles, Monetary Policy and Risks to the Real Economy

10:30-11:00 Coffee Break

11:00 **W. De Bondt**, DePaul University, Chicago

Financial expertise: fact or fiction

12:00 **J.V. Andersen**, INLN, Nice

Inter-disciplinarity: finance applied to physics, physics applied to finance

13:00-14:15 Lunch at Piccolo Abruzzo, via Sicilia, 237

Session 1: Asset pricing

Chair: **M. Bertocchi**, University of Bergamo, Bergamo

14:30 **M. Kopa**, M. Benko, M. Fengler, W. Härdle.

On extracting information implied in options

14:50 M. Holcapek, **T. Tichý**.

Implied volatility surfaces presentation using a smoothing filter based on fuzzy transform

15:30 J. Hatgioannides, **N. Karouzakis**.

Convexity adjustment for constant maturity swaps in a multi-curve framework

15:50 S. Alvarez Diez, J. Samuel Baixauli Soler, **M. Belda Ruiz**.

Are we using wrong letters? An analysis of executive stock options greeks

16:10 F. Bellini, **L. Mercuri**.

Option pricing in a conditional bilateral Gamma model

16:30-16:50 Tea break

Session 2: Portfolio theory

Chair: **J. Dupačová**, Charles University, Prague

16:50 **D. Barro**, E. Canestrelli.

Downside risk in multiperiod tracking-error models

17:10 S. Baccharin, **D. Marazzina**.

Portfolio optimization over a finite horizon with fixed and proportional transaction costs

17:30 M. Billio, **L. Calés**, D. Guégan.

A rank-based approach to cross-sectional analysis

17:50 **J. Dupačová**.

Output analysis and stress testing for mean-risk efficient portfolios

18:10 **M. Branda**.

Diversification consistent DEA with generalized deviation measures

18:30 **R.E. Steuer**.

Computing and displaying the efficient surface in tri-criterion Markowitz portfolio selection

20:30 **Conference attendee dinner**

Chiostro Facoltà di Ingegneria, via Eudossiana 18

May 4th

Session 3: Stock markets dynamics

Chair: **K. Andriosopoulos**, ESCP Europe, London

8:30 **M. Šmíd**.

A Tractable Stochastic Model of the Continuous Double Auction with Non-unit Order Sizes

8:50 **A. Chevalier**, E. Redor.

The acquisition of non public firms in Europe: bidders returns, payment methods and stock market evolution

9:10 **V. Dragota**, E.V. Tilica.

Stock market informational efficiency in the crisis period: the case of east european ex-communist countries

9:30 S. Casellina, S. Landini, **M. Uberti**.

Cobweb-interacting mortgage markets: evidences from Italy over the last fourteen years

09:50 **S. Lo Cascio**.

Efficiency and economic quality of financial markets: implications of AMH and prospect theory

10:10 A. G. Malliaris, **M. Malliaris**.

N-tuple of S&P 500 patterns across decades, 1950s to 2011

10:30 J. Fouquau, **P. Spieser**.

Stock returns memories: a stardust memory?

10:50-11:00 Coffee break

Session 4: Risk management

Chair: **T. Tichý**, Technical University, Ostrava

11:00 **G. Consigli**, R. Pianeti, G. Urga.

A systemic risk indicator and monetary policy

11:20 M. Frittelli, M. Maggis, **I. Peri**.

Risk Measures on P(R) and VaR with probability/ loss function

11:40 **M. Bertocchi**, R. Giacometti.

Models for mortality rates: from stochastic to econometric and beyond

12:00 G. D'Acquisto, L. Mastroeni, **M. Naldi**.

Evaluation of credit risk under correlated defaults: the cross-entropy simulation approach

12:20 **S. Nobili**, S. Longoni.

Liquidity risk: definition and measurement

12:40 **T. Post**.

General linear formulations of stochastic dominance criteria with an analysis of stock market portfolio efficiency

13:00-14:45 Lunch at Piccolo Abruzzo, via Sicilia, 237

Special Session

New approach to risk management

Chair: **R. L. D'Ecclesia**, Sapienza University of Rome

15:00 **M. Minenna**, G. Boi, P. Verzella.

"A quantitative framework to assess the risk-reward profile of non equity products"

17:00-17:20 Tea break

Round table

Quantitative models and the financial crisis

Chair: **H. Geman**, Birkbeck, University of London and ESCP

S. Galluccio, BNP Paribas, Rome Italy

A. Guglielmi, Mediobanca Securities, London

F. Fiordelisi, Roma Tre, University of Rome

G. Fusai, Cass Business School, London and University Piemonte Orientale, Vercelli

S. Massi Benedetti, P&G SGR S.p.A, Rome

M. Minenna, Risk Analyst, Rome

20:15 **Gala Dinner**

Sala dell'Angelo, Palazzo Barberini, via XX Settembre, 28