Large-scale factor models in Finance

Lugano, October 11-12, 2013

Friday, October 11

8:30-9:00	Registration/Breakfast
9:00	Opening remarks
9:15-10:00	**Invited Session 1 (Chair: E. Renault)**
	R. Korajczyk (Northwestern University): Small-sample Properties of Factor Mimicking Portfolio Estimates (with Zhuo Chen and Gregory Connor)
10:00-10:30	Coffee break
10:30-12:00	**Contributed Session 1: Factor Models and Asset Pricing (Chair: F. Trojani)**
	S. Ahn, A. Horenstein, N. Wang: Beta Matrix and Common Factors in Stock Returns
	T. Chordia, A. Goyal, J. Shanken: Cross-Sectional Asset Pricing with Individual Stocks: Betas vs. Characteristics
	P. Gagliardini, E. Ossola, O. Scaillet: Time-Varying Risk Premium in large Cross-Sectional Equity Datasets
12:00-14:00	Lunch
	Poster Session
	E. Andreou, E. Ghysels: What Drives the VIX and the Volatility Risk Premium?
	T. Berrada, S. Coupy: It Does Pay to Diversify
	S. Darolles, S. Dubecq, C. Gouriéroux: Contagion Analysis in the Banking Sector
	D. Karstanje, M. van der Wel, D. van Dijk: Common Factors in Commodity Futures Curves
	P. Maio, D. Philip: Macro factors and the cross-section of stock returns
14:00-15:00	**Contributed Session 2: Dynamic Factor Models (Chair: M. Deistler)**
	G. Fiorentini, E. Sentana: Dynamic Specification Tests for Dynamic Factor Models
	M. Forni, M. Hallin, M. Lippi, P. Zaffaroni: One-Sided Representations of Generalized Dynamic Factor Models

15:00-15:45	**Invited Session 2 (Chair: E. Ghysels)**
	C. Gourieroux (CREST and University of Toronto): Positional Portfolio Management (with P. Gagliardini and M. Rubin)
15:45-16:15	Coffee break
16:15-17:45	**Contributed Session 3: Systemic Risk (Chair: S. Darolles)**
	J. Boivin, M. P. Giannoni, D. Stevanovic: Dynamic Effects of Credit Shocks in a Data-Rich Environment
	S. Giglio, B. Kelly, S. Pruitt, X. Quiao: Systemic Risk and the Macroeconomy: An Empirical Evaluation
	B. Schwaab, S. J. Koopman, A. Lucas: Modeling Global Financial Sector Stress and Credit Market Dislocation
20:00	Conference dinner
	Dinner speech
	J. P. Danthine (Swiss National Bank): A macroprudential progress report

Saturday, October 12

9:15-10:00	**Invited Session 3 (Chair: F. Diebold)**
	Alexei Onatski (University of Cambridge): Loss-Efficient Selection of the Number of Factors
10:00-10:30	Coffee break
10:30-12:00	**Contributed Session 4: Model Specification (Chair: O. Scaillet)**
	M. Carrasco, B. Rossi: In-sample Inference and Forecasting in Misspecified Factor Models
	F. Pegoraro, A. Siegel, L. Tiozzo Pezzoli: Specification Analysis of International Treasury Yield Curve Factors
	F. Kleibergen, Z. Zhan: Unexplained Factors and their Effects on Second Pass R-Squared's and t-Tests