## PROGRAM: PRE-CONFERENCE

### Monday - June 14, 2021

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<td>Tim Bollerslev - SoFie President</td>
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<td>Federico M. Bandi - Conference Chair</td>
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<td>7:15-8:00 am</td>
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<td>Anne Lundgaard Hansen</td>
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<td>Morad Elsaify</td>
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<td>Sebastiano Michele Zema</td>
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<td>Aditya Chaudhry</td>
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<td>Yannick Dillschneider</td>
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<td><strong>Parallel Session II</strong></td>
<td>Chair: Marcelo Medeiros</td>
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<td>Gianluca De Nard and Zhao Zhao. Using, Taming or Avoiding the Factor Zoo?</td>
<td>Discussant: Nikolaus Hautsch</td>
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<td>Dennis Umlandt</td>
<td>Discussant: Andre Lucas</td>
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<td>André B.M. Souza</td>
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<td>Bart Claassen and Diego Ronchetti. Structural estimation of nonlinear rational expectations models with recursive preferences</td>
<td>Discussant: Marcelo Medeiros</td>
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Discussant: Eric Renault

**Jeroen Dalderop.** Efficient Estimation of Pricing Kernels and Market-Implied Densities
Discussant: Tim Christensen

Paolo Zaffaroni and **Valentina Raponi.** Dissecting Anomalies: Inference with Large Cross-Sections
Discussant: Patrick Gagliardini

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**PRE-CONFERENCE PARALLEL SESSION 3 – ZOOM 2**
*Chair: Bas Werker*

8:00-10:30 am **Parallel Session III**

**Jules Tinang** and Roméo Tédongap. International Asset Pricing with Heterogeneous Agents: Estimation and Inference
Discussant: Max Croce

**Onno Kleen.** Measurement error sensitivity of loss functions for distribution forecasts
Discussant: Fabio Trojani

**Maria Flora** and Roberto Reno. V-shapes
Discussant: Bas Werker

**Mirela Sandulescu.** How Integrated Are Corporate Bond and Stock Markets?
Discussant: Rene’ Garcia

**Kristy Jansen.** Long-term investors, demand shifts, and yields
Discussant: Sebastien Betermier

**Wenqian Sun** and Bertille Antoine. Simulation-based estimation with many auxiliary statistics applied to long-run dynamic analysis
Discussant: Lynda Khalaf

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**PROGRAM**

**Conference Day 1**
*Tuesday - June 15, 2021*

7:00-7:15 am **Welcome Remarks**

Tim Bollerslev - SoFie President
Federico M. Bandi - Conference Chair
Allan Timmermann and Ross Valkanov - Local Organizers

7:15-7:45 am **Invited Lecture**

**Peter Bossaerts, University of Melbourne and University of Cambridge**
SESSION 2 (Plenary Invited Lecture II) – ZOOM 1
Chair: Rene’ Garcia

7:45-8:15 am Invited Lecture

Annette Vissing-Jorgensen, Haas School of Business, UC Berkeley
The Treasury Market in Spring 2020 and the Response of the Federal Reserve

SESSION 3 (Parallel Sessions I-IV)

8:15-10:15 am Parallel Session: The Econometrics of Cross-Sectional Pricing I – ZOOM 2
Chair: Paolo Zaffaroni

Stefano Giglio, Dacheng Xiu and Dake Zhang. Test Assets and Weak Factors

Peter Hansen and Maziar Kazemi. Identification of Factor Risk Premia

Paolo Zaffaroni. Factor Models for Conditional Asset Pricing

Elena Andreou, Patrick Gagliardini, Eric Ghysels and Mirco Rubin. Factors Common to Individual Stocks and Sorted Portfolios

Zhipeng Liao and Yan Liu. Optimal Cross-Sectional Regression

Simon Smith and Allan Timmermann. Instability in Risk Premia

8:15-10:15 am Parallel Session: Volatility – ZOOM 3
Chair: Christian Conrad

Christian Conrad and Robert Engle. Modelling Volatility Cycles: the (MF)^2 GARCH Model

Friedrich Lorenz, Karl Schmedders and Malte Schumacher. Nonlinear Dynamics in Conditional Volatility

Jeannine Polivka and Matthias R. Fengler. Identifying structural shocks to volatility through a proxy-MGARCH model

Md Nazmul Ahsan and Jean-Marie Dufour. High frequency instruments and identification-robust inference for stochastic volatility models

Leopoldo Catania. The Leverage Effect and Propagation

Ilya Archakov and Peter Hansen. A Canonical Representation of Block Matrices with Applications to Covariance and Correlation Matrices
**Parallel Session: Beyond Equity**

*Chair: Olivier Scaillet*

- Martin M. Andreasen, **Kasper Joergensen** and Andrew Meldrum. Bond Risk Premiums at the Zero Lower Bound
- **Jean-Paul Renne** and Kevin Pallara. Fiscal Limits and the Pricing of Eurobonds
- David Ardia, Laurent Barras, Patrick Gagliardini and **Olivier Scaillet**. Hedge Fund Performance under Misspecified Models
- **Massimo Guidolin**, Manuela Pedio and Daniele Bianchi. Dissecting Time-Varying Risk Exposures in Cryptocurrency Markets
- **Gustavo Schwenkler** and Hannan Zheng. Peer Co-Movement in Crypto Markets

**Parallel Session: Options**

*Chair: Mathieu Fournier*

- Viktor Todorov and **Yang Zhang**. Information Gains from using Short-Dated Options for Measuring and Forecasting Volatility
- **Gustavo Freire** and Caio Almeida. Pricing of Index Options in Incomplete Markets
- **John Crosby** and Gurdip Bakshi. Dark Matter in (Volatility and) Equity Option Risk Premiums
- **Mathieu Fournier**, Kris Jacobs and Piotr Orlowski. Conditional Risk Premia in the Cross-Section of Option Returns
- **Sirio Aramonte**, Mohammad Jahan-Parvar, Samuel Rosen and John Schindler. Firm-specific risk-neutral distributions with options and CDS
- Roger Laeven, Peter Boswijk, Andrei Lalu and **Evgenii Vladimirov**. Jump Contagion among Stock Market Indices: Evidence from Option Markets

**SESSION 4 (Plenary Invited Lecture III) – ZOOM 1**

*Chair: Eric Renault*

**Invited Lecture**

- **Xu Cheng**, University of Pennsylvania
  - Macro-finance decoupling: robust evaluation of macro asset pricing models

**SESSION 5 (Plenary Invited Lecture IV) – ZOOM 1**

*Chair: Andrew Patton*

**Invited Lecture**

- **Martin Lettau**, Haas School of Business, UC Berkeley
  - Sorting out factor models
SESSION 6 (Plenary Rapid-Fire Session) – ZOOM 1

Chair: Markus Leippold

11:15-12:15 pm  
Plenary Rapid-Fire Session

Arnaud Dufays, Kris Jacobs, Yuguo Liu and Jeroen Rombouts. Fast filtering in option valuation models with latent state variables


Hao Jiang, Sophia Li and Peixuan Yuan. Predicting High-Frequency Industry Returns: Machine Learners Meet News Watchers

Tengjia Shu and Ashish Tiwari. Identifying signals of the cross-section of stock returns

Michael Bauer and Mikhail Chernov. Conditional skewness in treasury yields

Linqi Wang and Christian Hafner. Dynamic portfolio selection with sector-specific regularization

Yongmiao Hong, Oliver Linton, Brendan McCabe and Jiajing Sun. A score statistic on testing the presence of stochastic trend in conditional variance

Daniel Borup, Bent Jesper Christensen and Yunus Emre Ergemen. Predictive regressions under arbitrary persistence and stock return predictability

Ruoxuan Xiong and Markus Pelger. Large dimensional latent factor modeling with missing observations and applications to causal inference

Conference Day 1 Ends

Conference Day 2
Wednesday - June 16, 2021

7:00-7:05 am  
2019 Engle Prize: Julia Schaumburg

SESSION 1 (Plenary JFEC Invited Lecture) – ZOOM 1

Chairs: Federico M. Bandi and Andrew Patton
Former JFECManaging Editors

Chairs: Fabio Trojani and Allan Timmermann
Current JFEC Managing Editors

7:05-8:00 am  
JFEC Invited Lecture

Toni Whited, Ross School of Business, University of Michigan

Integrating reduced-form with structural work

SESSION 2 (Parallel Sessions I-IV)

8:00-10:00 am  
Parallel Session: The Econometrics of Cross-Sectional Pricing II  
ZOOM 2

Chair: Frank Kleibergen

Raymond Kan, Xiaolu Wang and Xinghua Zheng. In-sample and Out-of-sample Sharpe Ratios of Multi-factor Asset Pricing Mode
Junbo Wang, Kuntara Pukthuanthong, Christopher Jones and Jinchi Lv. A Generalized Machine Learning Framework for Linear Factor Model Test


Svetlana Bryzgalova, Markus Pelger and Jason Zhu. Forest through the Trees: Building Cross-Sections of Stock Returns

Carlo Favero, Alessandro Melone and Andrea Tamoni. Factor Models with Drifting Prices

Frank Kleibergen and Zhaoguo Zhan. Double Robust Continuous Updating GMM

8:00-10:00 am

Parallel Session: High-frequency financial econometrics: volatility and related quantities

Chair: Nikolaus Hautsch

Merrick Li and Oliver Linton. Robust Estimation of Integrated Volatility

Emil Stoltenberg, Per Mykland and Lan Zhang. A CLT for second difference estimators with an application to volatility and intensity

Marek Chudy and Nikolaus Hautsch. Efficient return covariance matrix estimation in high dimensions

Minseok Shin, Donggyu Kim and Jianqing Fan. Adaptive Robust Large Volatility Matrix Estimation Based on High-Frequency Financial Data

Rodrigo Hizmeri, Marwan Izzeldin and Ingmar Nolte. Bolstering the Modelling and Forecasting of Realized Covariance Matrices using (Directional) Common Jumps

Xiaolu Zhao, Seok Young Hong and Oliver Linton. Separate noise and jumps from tick data: an endogenous thresholding approach

8:00-10:00 am

Parallel Session: Themes in Asset Pricing

Chair: Jean-Sebastien Fontaine

Gill Segal and Ivan Shaliastovich. Exposure to Uncertainty and the Accumulation of Capital

Sebastien Betermier, Laurent Calvet and Evan Jo. A Supply and Demand Approach to Equity Pricing

Lucio Sarno, Daniele Massacci and Lorenzo Trapani. Factors models with downside risk

Andrey Ermolov, Geert Bekaert and Eric Engstrom. The Variance Risk Premium in Equilibrium Models

René Garcia, Jean-Sebastien Fontaine and Sermin Gungor. Intermediary Leverage Shocks
and Funding Conditions

Maik Schmeling, Andreas Schrmpf and Sigurd Steffensen. Monetary Policy Expectations Errors

8:00-10:00 am  Parallel Session: Imaging, textual analysis and machine learning  ZOOM 5
Chair: Dacheng Xiu

Jingwen Jiang, Bryan Kelly and Dacheng Xiu. (Re-)Imag(in)ing Price Trends

Luyang Chen, Markus Pelger and Jason Zhu. Deep Learning in Asset Pricing

Ruslan Goyenko and Chengyu Zhang. The Joint Cross Section of Option and Stock Returns Predictability with Big Data and Machine Learning

Aditya Chaudhry and Sangmin Oh. High-Frequency Expectations from Asset Prices: A Machine Learning Approach

Jianqing Fan, Lirong Xue and Yang Zhou. How Much Can Machines Learn Finance From Chinese Text Data?

Joachim Grammig, Constantin Hanenberg, Christian Schlag and Jantje Soenksen. Diverging roads: Theory-based vs. machine learning-implied stock risk premia

10:00-11:30 am  Plenary Hal White Memorial Session  ZOOM 1
Chair: Charley Bates of Bates/White

Xiaohong Chen, Yale University
Adaptive rate optimal testing in instrumental variable models

Valentina Corradi, University of Surrey
The econometrics of portfolio sorts

Raffaella Giacomini, University College of London
Identification and inference under narrative restrictions

Silvia Gonçalves, McGill University
Impulse response analysis for structural dynamic models with nonlinear regressors

Conference Day 2 Ends
SESSION 1 (Plenary Invited Lecture V) – ZOOM 1
Chair: Yacine Ait-Sahalia

7:00-7:30 am

Invited Lecture

Peter Carr, NYU Tandon School of Engineering
When Can We Hedge or Price without Full Model Knowledge?

SESSION 2 (Plenary Invited Lecture VI) – ZOOM 1
Chair: Yingying Li

7:30-8:00 am

Invited Lecture

Viktor Todorov, Kellogg School of Management, Northwestern University
Systematic jump risk

SESSION 3 (Parallel Sessions I-IV) – ZOOM 2

8:00-10:00 am

Parallel Session: Predictability
Chair: Rasmus Varneskov

Raymond Kan and Jiening Pan. Finite Sample Analysis of Predictive Regressions with Long-Horizon Returns


Theodoros Evgeniou, Ahmed Guecioueur and Rodolfo Prieto. Uncovering sparsity and heterogeneity in firm-level return predictability using machine learning

Meng-Chen Hsieh, Clifford Hurvich and Philippe Soulier. Long-Horizon Return Predictability from Realized Volatility in Pure-Jump Point Processes

Gaetan Bakalli, Stéphane Guerrier and Olivier Scaillet. A penalized two-pass regression to predict stock returns with time-varying risk premia

Torben Andersen and Rasmus Varneskov. Consistent Local Spectrum (LCM) Inference for Predictive Return Regressions

8:00-10:00 am

Parallel Session: High-frequency financial econometrics: new directions
Chair: Ulrich Hounyo

Kim Christensen and Ulrich Hounyo. A nonparametric test for diurnal variation in intraday correlation processes

Oleg Bondarenko and Dmitriy Muravyev. Market Return Around the Clock: A Puzzle

Aleksey Kolokolov, Davide Pirino and Giulia Livieri. Testing for endogeneity of irregular sampling schemes
Deniz Erdemlioglu, Christopher J. Neely and Xiye Yang. News-Driven Systemic Tail Risk at High Frequency

Sebastien Laurent, Roberto Reno and Shuping Shi. Realized drift

Yacine Ait-Sahalia, Jean Jacod and Dacheng Xiu. Inference on Risk Premia in Continuous-Time Asset Pricing Models

8:00-10:00 am

**Parallel Session: Methods**

Chair: Julia Schaumburg

Dong Hwan Oh and Andrew Patton. Dynamic Factor Copula Models with Estimated Cluster Assignments

Julia Schaumburg, Andre Lucas and Bernd Schwaab. Dynamic clustering of multivariate panel data

Francesco Cordoni and Fulvio Corsi. Identification of Singular and Noisy Structural VAR Models: The Collapsing-ICA Approach

Robin Lumdsaine, Ryo Okui and Wendun Wang. Estimation of Panel Group Structure Models with Structural Breaks in Group Memberships and Coefficients

Julia Schaumburg, Quint Wiersma and Siem Jan Koopman. Joint Modelling and Estimation of Global and Local Cross-Sectional Dependence in Large Panels

Caio Almeida and Paul Schneider. Constrained Polynomial Likelihood

8:00-10:00 am

**Parallel Session: Forecasting**

Chair: Dobri Dobrev

Matteo Garzoli, Alberto Plazzi and Rossen Valkanov. Backcasting, Nowcasting, and Forecasting Residential Repeat-Sales Returns: Big Data meets Mixed Frequency

Tim de Silva and David Thesmar. The Term Structure of Subjective Expectations: Evidence from Analyst Forecasts and Theory

Andrii Babii, Eric Ghysels and Jonas Striaukas. Machine learning panel data regressions with an application to nowcasting price earnings ratios

Dobrislav Dobrev, Derek Hansen and Pawel Szerszen. A Randomized Missing Data Approach to Robust Filtering and Forecasting

Simone Manganelli, Robert Engle, Sulkhan Chavleishvili, Stephan Fahr, Manfred Kremer and Bernd Schwaab. The risk management approach to macro-prudential policy

Francis Diebold, Minchul Shin and Boyuan Zhang. On the Aggregation of Probability Assessments: Regularized Mixtures of Predictive Densities for Eurozone Inflation and Real Interest Rates
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<td>Rob Engle</td>
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<td><strong>Tim Bollerslev, Duke University</strong></td>
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<td>Realized semi(co)variation: signs that all volatilities are not created equal</td>
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<td>10:45-11:30 am</td>
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**Conference Day 3 Ends**

*We thank our sponsors, the Rady School of Management at UC San Diego*

*Sponsored by Bates White and the Rady School of Management at UC San Diego.*