

## 23rd Annual Derivatives Securities and Risk Management Conference

March 15-16, 2013

L. William Seidman Center - Hove Auditorium - Arlington, Virginia

Sponsored by Federal Deposit Insurance Corporation's Center for Financial Research

Cornell University's Johnson Graduate School of Management

University of Houston's Bauer College of Business

Friday, March 15, 2013

- 8:00-8:25am     **Registration & Continental Breakfast**
- 8:25-8:30        **Welcoming Remarks**
- 8:30◆10:00     **Credit Default Swap Markets**  
**Valuation of Systematic Risk in the Cross-section of Credit Default Swap Spreads**  
Sebastian Lohr, Leibniz University of Hannover  
Arndt ClauBen, Leibniz University of Hannover  
Daniel Rosch, Leibniz University of Hannover  
Harald Scheule, University of Technology, Sydney  
**Market Efficiency and Default Risk: Evidence from the CDS and Loan CDS Markets**  
Lawrence Kryzanowski, Concordia University  
Stylios Perrakis, Concordia University  
Rui Zhong, Concordia University  
**Subprime Mortgage Defaults and Credit Default Swaps**  
Eric Arentsen, TCW Group Inc.  
David C. Mauer, Texas A&M University  
Brian Rosenlund, TCW Group Inc.  
Harold H. Zhang, University of Texas at Dallas  
Feng Zhao, University of Texas at Dallas
- 10:00-10:30     -- Break --
- 10:30-12:00     **Term Structure and Credit Risk**  
**Estimating Shadow-Rate Term Structure Models with Near-Zero Yields**  
Jens H. E. Christensen, Federal Reserve Bank of San Francisco  
Glenn D. Rudebusch, Federal Reserve Bank of San Francisco  
**A Revisit to the Equity-Credit Market Integration Anomaly**  
Jing-zhi Huang, Penn State University  
Zhan Shi, Penn State University  
**The Impact of Quantitative Easing on the Term Structure of U.S. Interest Rates**  
Robert Jarrow, Cornell University  
Hao Li, Cornell University
- 12:00-1:00     -- Lunch --
- 1:00-2:30        **Selected Topics in Theory**  
**Market-Triggered Contingent Capital: Equilibrium Price Dynamics**  
Paul Glasserman, Columbia University  
Behzad Nouri, Columbia University  
**No Good Deals-No Bad Models**  
Nina Boyarchenko, Federal Reserve Bank of New York  
Mario Cerrato, University of GlasgowBJohn Crosby, Grizzly Bear Capital  
Stewart Hodges, City University, London  
**Incentive Compensation for Risk Managers when Effort is Unobservable**  
Paul Kupiec, Federal Deposit Insurance Corporation

- 2:30-2:45 -- Break --
- 2:45-4:15 **Credit and Contagion Risk**  
**Active Risk Management and Banking Stability**  
 Consuelo Silva Buston, CentER, European Banking Center and Tilburg University  
**How Likely is Contagion in Financial Networks?**  
 Paul Glasserman, Columbia University  
 H. Peyton Young, University of Oxford  
**On Bounding Credit Event Risk Premia**  
 Jennie Bai, Federal Reserve Bank of New York  
 Pierre Collin-Dufresne, Columbia University and NBER  
 Robert S. Goldstein, University of Minnesota and NBER  
 Jean Helwege, University of South Carolina
- 4:15-4:30 -- Break --
- 4:30-6:00 **FX and Commodity Markets**  
**Variance Risk Premia in Commodity Markets**  
 Marcel Prokopczuk, Zeppelin University  
 Chardin Wese Simen, ICMA Centre and University of Reading  
**Dynamic Jump Intensities and Risk Premiums in Crude Oil Futures and Options Markets**  
 Peter Christoffersen, University of Toronto, CBS and CREATES  
 Kris Jacobs, University of Houston and Tilburg University  
 Bingxin Li, University of Houston  
**The economic drivers of time-varying commodity market volatility**  
 Marcel Prokopczuk, Zeppelin University  
 Lazaros Symeonidis, ICMA Centre, University of Reading
- 6:00-7:00 -- Reception --

**Saturday, March 16, 2013**

- 8:00-8:30 am -- Continental Breakfast --
- 8:30◆10:00 **Volatility Risk**  
**Volatility of Volatility and Tail Risk Premiums**  
 Yang-Ho Park, Federal Reserve Board  
**The Importance of The Volatility Risk Premium for Volatility Forecasting**  
 Marcel Prokopczuk, Zeppelin University  
 Chardin Wese Simen, ICMA Centre and University of Reading  
**The Impact of Computational Error on the Volatility Smile**  
 Don M. Chance, Louisiana State University  
 Thomas A. Hanson, Kent State University  
 Weiping Li, Oklahoma State University  
 Jayaram Muthuswamy, Kent State University
- 10:00-10:30 -- Break --
- 10:30-12:00 **Market Microstructure**  
**Order Flow and Expected Option Returns**  
 Dmitriy Muravyev, Boston College  
**Transaction Taxes in a Price Maker/Taker Market**  
 Dale W.R. Rosenthal, University of Illinois at Chicago  
 Nordia D.M. Thomas, University of Wisconsin-La Crosse  
 Hefei Wang, University of Illinois at Chicago

**Asymmetric Sneers & Forecasting Implied Volatility within an Ad Hoc Black-Scholes Framework**

Youngsoo Choi, Hankuk University of Foreign Studies

Steven Jordan, University of Memphis

Wonchang Lee, Hi Investment & Securities Co., Ltd.

12:00

**Adjourn**  **box lunch available**