



Monday, March 25, 2013

13h30 / 14h00

REGISTRATION

14h00 / 14h15

WELCOME ADDRESS by **Jean-Michel BEACCO**, CEO, Institut Louis Bachelier (ILB) & **Pierre-Antoine GAILLY**, Chairman, Chambre de commerce et d'industrie de région Paris Île-de-France – SALLE DES FÊTES

14h15 / 15h30

PLENARY SESSION I - Natixis - SALLE DES FÊTES

Chairman: **Michel CROUHY**, Head of Research & Development, Natixis Corporate and Investment Bank

Guest speaker: **Thierry FOUCAULT**, HEC Paris
"Illiquidity Contagion and Liquidity Crashes"



Panel Session: "Funding Liquidity Risk Management in Banking"

Rama CONT, CNRS & Imperial College London

Stéphane DENISE*, Group ALM Deputy Head, BNP Paribas

Philippe JEANNE, Head of ALM, Natixis

15h30 / 16h00

COFFEE BREAK / POSTER SESSION I (see last page) – GRANDE SALLE À MANGER

16h00 / 18h00

PARALLEL SESSIONS

Parallel session 1: Liquidity Pricing – SALLE DES FÊTES

Chairman: **Monique JEANBLANC**, Evry University.

"Liquidity Risk and the Term Structure of Interest Rates"

Alexandre ROCH, Ecole des Sciences de la Gestion UQAM and Robert JARROW, Cornell University.

"Hedging Forward Positions: Basis Risk Versus Liquidity Costs",

Thomas KRUSE, Stefan ANKIRCHNER, University of Bonn and Peter KRATZ, Aix-Marseille University.

Discussant: **Bruno BOUCHARD**, Paris Dauphine University and CREST.

"A PDE Approach to Pricing Contingent Claims under Liquidity Risk",

Matthias FAHRENWALDT, University of Goettingen and University of Hannover and **Alexandre ROCH**, Ecole des Sciences de la Gestion UQAM.

"Optimal Liquidation of an Illiquid Asset under Stochastic Liquidity and Regime-Shifting",

Vathana LY VATH, Etienne CHEVALIER, Evry University and ENSIE, **Alexandre ROCH**, Ecole des Sciences de la Gestion UQAM and **Simone SCOTTI**, Paris Diderot University, LPMA.

Discussant: **Huyên PHAM**, Paris Diderot University and CREST.

Parallel session 2: Trading Liquidity Risk – SALLE DES SEANCES

Chairman: **Frédéric ABERGEL**, Ecole Centrale Paris.

"Pre-Trade Transparency and Informed Trading: An Experimental Approach to Hidden Liquidity"

Arie E. GOZLUKLU, Warwick Business School, University of Warwick.

"News Trading and Speed",

Johan HOMBERT, Thierry FOUCAULT and Ioanid ROSU, HEC Paris.

Discussant: **Mathieu ROSENBAUM***, LPMA, Pierre & Marie Curie University.

"High Frequency Trading and Market Quality: Causal Evidence from HFT Entry"

Corey GARRIOTT, Bank of Canada, **Jonathan BROGAARD**, Foster School of Business, University of Washington and **Anna POMERANETS**, Bank of Canada.

"Large Tick Assets: Implicit Spread and Optimal Tick Size",

Khalil DAYRI, Ecole Polytechnique Paris and **Mathieu ROSENBAUM**, LPMA, Pierre & Marie Curie University.

Discussant:

Parallel session 3: *Liquidity in CDS Markets* – AUDITORIUM MERCURE

Chairman: **Jean-François BOULIER**, Aviva Investors France.

“The Price Impact of CDS Trading”,

Monika TRAPP and Julia NASEV, University of Cologne, Yalin GÜNDÜZ, Deutsche Bundesbank.

“Liquidity Risk in Credit Default Swap Markets”,

Anders B. TROLLE and Benjamin JUNGE, Swiss Finance Institute and EPFL.

Discussant: **Mathieu GEX**, Banque de France.

“Liquidity Contagion: The Emerging Sovereign Debt Markets Example”,

Jérémy DUDEK, Serge DAROLLES and Gaëlle LE FOL, CREST and Paris Dauphine University.

“Liquidity Premium in CDS Markets”,

Christian WILDE and Kuate KAMGA, House of Finance, Goethe University Frankfurt..

Discussant: **Patrick GAGLIARDINI**, University of Lugano and Swiss Finance Institute.

18h10 / 19h30

PARALLEL SESSIONS

Parallel session 4: *Links between Funding and Market Liquidity* – SALLE DES FÊTES

Chairman: **Raphaël DOUADY**, Paris Sorbonne University.

“Survival of Hedge Funds: Frailty vs Contagion”,

Patrick GAGLIARDINI, University of Lugano and Swiss Finance Institute, SERGE DAROLLES, Paris Dauphine University and CREST, Christian GOURIEROUX, University of Toronto and CREST.

Discussant: **Fulvio PEGORARO**, Banque de France.

“Discretionary Liquidity: Hedge Funds, Side Pockets, and Gates”,

Christopher P. CLIFFORD, University of Kentucky, Adam L. AIKEN, Quinnipiac University, and Jesse ELLIS, University of Alabama.

“Funding Liquidity, Market Liquidity and TED Spread: A Two-Regime Model”,

Ellen C.S. PAULUS, London Business School, Kris BOUDT, K.U. Leuven and V.U. University Amsterdam and Dale W.R. ROSENTHAL, University of Illinois at Chicago.

Discussant: **Jérémy DUDEK**, CREST and Paris Dauphine University.

Parallel session 5: *Coherent Liquidity Risk Measures* – SALLE DES SEANCES

Chairman: **Jean-Michel ZAKOIAN**, CREST and Lille University.

“Valuing Financial Assets with Liquidity Discount: An Implication to Basel III”,

Ren-Raw CHEN, Fordham University, William FILONUK, Bank of New York, Dilip K. PATRO, Office of the Comptroller of the Currency and An YAN, Fordham University.

“Acceptability Indexes via g-Expectations: an Application to Liquidity Risk”,

Carlo SGARRA, University of Milano-Bicocca and Emanuela ROSAZZA GIANIN, Politecnico di Milano.

Discussant: **Erwan KOCH**, ISFA Lyon and CREST.

“Determining the Optimal Trading Time for Derivatives Markets”

Monika B. FORYS and Wim SCHOUTENS, KU Leuven.

Discussant: **Étienne CHEVALIER**, Evry University.

Parallel session 6: *Systemic Risk* – AUDITORIUM MERCURE

Chairman: **Alain MONFORT**, CREST and Maastricht University.

“Market Structure, Counterparty Risk, and Systemic Risk”

Dale W.R. ROSENTHAL, University of Illinois at Chicago.

“Measuring Systemic Risk: An International Framework”

Giuseppe CORVASCE, Society for Financial Studies

Discussant: **Simon DUBECQ***, Banque de France and CREST.

“Tail Risks and Systemic Risks for U.S. and Eurozone Financial Institutions in the Wake of the Global Financial Crisis”,

Stefan STRAETMANS and Sajid CHAUDHRY, Maastricht University..

Discussant:

19h30

END OF THE DAY

* to be confirmed



Tuesday, March 26, 2013

08h00 / 08h30

REGISTRATION AND WELCOME COFFEE

08h30 / 09h45

PLENARY SESSION II - Amundi - SALLE DES FÊTES

Chairman: **Marie BRIERE**, Amundi, Paris Dauphine University, Université Libre de Bruxelles
 Guest speaker: **Andrew ANG**, Columbia Business School
 "Portfolio Choice with Illiquid Assets"



Panel Session: "Liquidity and Portfolio Management"

Markus KRYGIER, Deputy Head, Amundi London
Roelof SALOMONS, Chief Strategist / Head of Allocation Team, Kempen Capital Management
Eric TAZE-BERNARD, Chief Allocation Advisor, Asset Allocation Solutions, Amundi

09h45 / 10h00

COFFEE BREAK - GRANDE SALLE À MANGER

10h00 / 12h00

PARALLEL SESSIONS

Parallel session 7: Equilibrium Models and Liquidity – SALLE DES FÊTES

Chairman: **Jean-Paul LAURENT**, Paris Sorbonne University.
 "Expectations, Liquidity, and Short-term Trading",
Xavier VIVES, IESE Business School and Giovanni CESPA, Cass Business School and CEPR.
 "Market Structure and the Limits of Arbitrage",
Vincent FARDEAU, Federal Reserve Board.
 Discussant:
 "Pricing Liquidity Risk with Heterogeneous Investment Horizons",
Patrick TUIJP, Tilburg University, Alessandro BEBER, Cass Business School and Joost DRIESSEN, Tilburg University.
 Discussant: **Olivier LOISEL**, CREST.

Parallel session 8: Commonality in Liquidity Spreads – SALLE DES SEANCES

Chairman: **Laurent CLERC**, Banque de France.
 "Illiquidity Commonality Across Equity and Credit Markets",
Miriam MARRA, Henley Business School, University of Reading.
 "Liquidity Premium in Emerging Debt Markets",
Krishnamurthy VAIDYANATHAN, S. P. Jain Institute of Management.
 Discussant: **Jean-Stéphane MESONNIER**, Banque de France.
 "Credit and Liquidity in Interbank Rates: a Quadratic Approach",
Guillaume ROUSSELLET, Simon DUBECQ, Alain MONFORT, Banque de France and CREST, Jean-Paul RENNE, Banque de France.
 "Decomposing Euro-Area Sovereign Spreads: Credit and Liquidity Risks",
Jean-Paul RENNE, Banque de France, Alain MONFORT, Banque de France and CREST, Maastricht University
 Discussant: **Virginie COUDERT**, Banque de France, CEPIL, Paris West University - Nanterre La Défense

Parallel session 9: Portfolio Management with Liquidity Risk – AUDITORIUM MERCURE

Chairman: **Serge DAROLLES**, Paris Dauphine University and CREST.
 "Liquidity and Portfolio Choice",
David TURKINGTON, William B. KINLAW, State Street Associates/State Street Global Markets and Mark KRITZMAN, Windham Capital Management and MIT Sloan School.
 Discussant: **Constantin MELLIOS**, Paris Sorbonne University.
 "Risk Allocation Under Liquidity Considerations",
Peter CSOKA, Corvinus University of Budapest and Jean-Jacques HERINGS, Maastricht University.
 "Economic Valuation of Liquidity Timing",
Dennis KARSTANJE, Erasmus University Rotterdam and Tinbergen Institute, Elvira SOJLI, Erasmus University Rotterdam and Duisenberg School of Finance, Wing Wah THAM, Erasmus University Rotterdam and Michel VAN DER WEL, Erasmus University Rotterdam and Tinbergen Institute.
 Discussant:

12h00 / 12h45

AWARDS CEREMONY - SALLE DES FÊTES

The Europlace Institute of Finance (EIF) Awards
 by **Francis AILHAUD**, CEO, GROUPAMA Asset Management
 and **André LEVY-LANG**, Chairman, Institut Louis Bachelier (ILB).



The Louis Bachelier Prize of the NATIXIS Foundation
 by **Michel CROUHY**, Head of Research & Development, NATIXIS Corporate and Investment Bank.



* to be confirmed

12h45 / 14h15

BUFFET LUNCH - GRANDE SALLE À MANGER

14h15 / 15h30

PLENARY SESSION III - PricewaterhouseCoopers - SALLE DES FÊTES

Chairman: **Christian GOURIÉROUX**, University of Toronto and CREST.

Guest speaker: **Oliver LINTON**, Trinity College, University of Cambridge

“The Impact of Computer-Based Trading on Market Quality and Some Policy Responses”.



Panel Session: “Potential Risk and Regulation of Computer Trading”

Charles-Albert LEHALLE, Senior Research Manager, Capital Fund Management

15h30 / 16h00

COFFEE BREAK / POSTER SESSION 2 (see last page) – GRANDE SALLE À MANGER

16h00 / 18h00

PARALLEL SESSIONS

Parallel session 10: Funding Liquidity – SALLE DES FÊTES

Chairman: **Christophe PERIGNON**, HEC Paris.

“Contagious Bank Runs: Experimental Evidence”,

Razvan VLAHU, De Nederlandsche Bank, **Martin BROWN**, University of St. Gallen and **Stefan T. TRAUTMANN**, Tilburg University.

“Risk Sensitivity of Banks, Interbank Markets and the Effects of Liquidity Regulation”,

Thilo PAUSCH, Deutsche Bundesbank.

Discussant: **Christophe HURLIN***, Orleans University.

“A Continuous Time Structural Model for Insolvency, Recovery, and Rollover Risks”,

Gechun LIANG, University of Oxford, **Eva LÜTKEBOHMERT**, University of Freiburg and **Wei WEI**, Tongji University.

“A Game Theoretic Approach to Funding Liquidity Modeling”,

Andreea MINCA, **Andrey KRISHENIK** and **Johannes WISSEL**, Cornell University.

Discussant: **Stéphane CREPEY**, Evry University.

Parallel session 11: Asset Pricing with Liquidity Factors – SALLE DES SEANCES

Chairman: **Gaëlle LE FOL**, Paris Dauphine University and CREST.

“The Relationship Between Bank Liquidity and Stability: Does Market Power Matter?”,

My NGUYEN, **Michael SKULLY** and **Shrimal PERERA**, Monash University.

“Does Commonality in Illiquidity Matter to Investors?”,

Björn HAGSTRÖMER, Stockholm University School of Business, **Richard G. ANDERSON**, Federal Reserve Bank of St. Louis,

Jane M. BINNER, The University of Sheffield and **Birger NILSSON**, Lund University.

Discussant: **Jean-Paul RENNE**, Banque de France.

“Asymmetric Liquidity Risks and Asset Pricing”,

Talis J. PUTNINS, University of Technology Sydney and Stockholm School of Economics in Riga and **Sean ANTHONISZ**, University of Technology Sydney.

“A New Family of Equity Style Indices and Mutual Fund Performance: Do Liquidity and Idiosyncratic Risk Matter?”,

Niklas WAGNER and **Elisabeth WINTER**, Passau University.

Discussant: **Marielle de JONG**, Amundi.

Parallel session 12: Liquidity Contagion – AUDITORIUM MERCURE

Chairman: **Rama CONT**, CNRS & Imperial College London.

“Endogenous Banks’ Networks, Cascades and Systemic Risk”

Marcel BLUHM, Xiamen University and CFS, **Ester FAIA**, Frankfurt University, CFS and Kiel IfW and **Jan Pieter KRAHNEN**, Frankfurt University, CFS and CEPR.

Discussant: **Jean-Cyprien HEAM**, Autorité de Contrôle Prudentiel (ACP) and CREST

“Liquidity and Solvency Shocks in a Network Model of Systemic Risk: The Impact of Minimum Capital and Reserve Requirements”,

Simone GIANSAnte and **Andreas KRAUSE**, University of Bath.

“Extreme Downside Liquidity Risk”,

Michael UNGEHEUER, **Stefan RUENZl** and **Florian WEIGERT**, University of Mannheim.

Discussant: **Jean-David FERMANIAN**, CREST.

18h00

END OF THE FORUM

* to be confirmed



Poster Session I

Chairman: **Christian FRANCO**, Lille University and CREST.

“Optimal Execution and Price Manipulations in Time-Varying Limit Order Books”,
José INFANTE ACEVEDO and Aurélien ALFONSI, Paris-Est University, CERMICS.

“Modeling of Credit Quality Stability within a Top-down Framework for Credit Portfolio Risk Measurement”,
Suguru YAMANAKA, Mitsubishi UFJ Trust Investment Technology Institute Co., LTD, Masaaki SUGIHARA, University of Tokyo and Hidetoshi NAKAGAWA, Hitotsubashi University.

“Measuring and Explaining the Asymmetry of Liquidity”,
Susan THOMAS and Rajat TAYAL, Indira Gandhi Institute of Development Research.

“Investor Type and Commonality in Liquidity”,
Yessy PERANGINANGIN, The University of Adelaide Business School, Paul BROCKMAN, Lehigh University College of Business and Economics, Ralf ZURBRUEGG and Syed ALI, The University of Adelaide Business School.

“The European Governments Bonds Spreads and Liquidity”,
Marie-Florence LAMY and Julien FOUQUAU, Rouen Business School.

“Liquidity Constraints of Market Makers and Stock Market Liquidity”,
Philipp GRÜBER, EBS Universität für Wirtschaft und Recht and Falko FECHT, Frankfurt School of Finance and Management.

“Bank Liquidity Risk Measurement in a Stochastic Dominance Context”,
Nikolas TOPALOGLOU and Spyros PAGRATIS, Athens University of Economics and Business.

“Forecasting Liquidity-Adjusted Intraday Value-at-Risk with Vine Copulas”,
Hendrik SUPPER and Gregor N.F. WEISS, Technische Universität Dortmund.

“Equilibrium Price of Immediacy and Infrequent Trade”,
Elisa LUCIANO, University of Torino Collegio Carlo AL.

“Which Are the SIFIs? A Component Expected Shortfall (CES) Approach to Systemic Risk”,
Georgiana-Denisa BANULESCU, LEO, University of Orléans and Maastricht University and Elena-Ivona DUMITRESCU, European University Institute and LEO, University of Orléans.

“The Build-Up and Decomposition of Risks in the European Banking Sectors”,
Guillaume VUILLEMEY, Sciences-Po Paris.

“Global Banking, Global Crises? The Role of the Bank Balance-Sheet Channel for the Transmission of Financial Crises”,
Antoine GOUJARD and Rudiger AHREND, OECD Economics Department.



Poster Session 2

Chairman: **Xavier MILHAUD***, ISFA Lyon and CREST.

“Transaction Taxes in a Price Maker/Taker Market”,

Dale W. R. ROSENTHAL and Hefei WANG, University of Illinois at Chicago and Nordia D. M. THOMAS, University of Wisconsin-La Crosse.

“A Negative Liquidity Premium: Myth or Reality?”,

Sergey ISAENKO, Concordia University.

“Asset Pricing with Extreme Liquidity Risk”,

Ying WU, Cornell University.

“Optimal Execution with On-line Optimization Method”,

Ngoc-Minh DANG, Crédit Agricole Cheuvreux.

“A Heterogenous Agents Equilibrium Model for the Term Structure of Bond Market Liquidity”,

Philipp SCHUSTER, Karlsruhe Institute of Technology, Monika TRAPP, University of Cologne and Marliese UHRIG-HOMBURG, Karlsruhe Institute of Technology.

“Drift Operator in a Market Affected by the Expansion of Information Flow: a Case Study”,

Shiqi SONG, Evry University.

“A Pricing Model with Counterparty Risk: A Copula Approach”,

Etienne GEBRAN HARB, ESSCA.

“A New Framework for Funds Transfer Pricing”,

Alessandro CONCIARELLI, Pasquale LA GANGA, Bank of Italy and Pasqualina PORRETTA, University La Sapienza.

“Comparing Time-Varying Price Impact and Information Impounding Time across Asian Stock Exchanges: An Adaptive Lasso Approach”,

Quan GAN, University of Sydney.

“The Liquidity of The Credit Default Swap Index Market and the Stock Market Value of Financial Institutions: Are They Related?”,

Giovanni CALICE, University of Birmingham.

“The Crash Risk Premia of Efficient Carry Trades”,

Philippe DUPUY, Grenoble Business School.

“Quantitative Modelling of Market Booms and Crashes”,

Ilya SHEYNZON and Umut CETIN, London School of Economics.