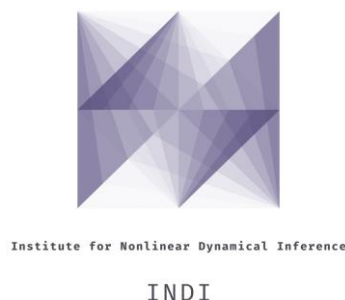
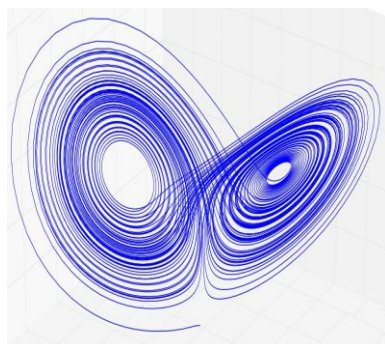


**9th International Workshop on “Financial Markets and
Nonlinear Dynamics” (FMND), 5-6 June 2025, Paris (France)**

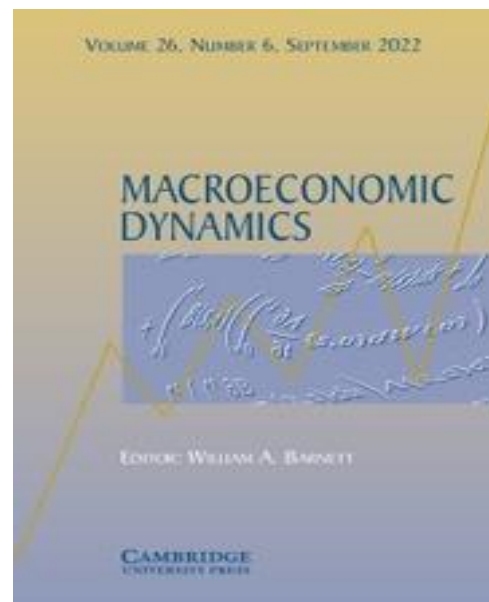
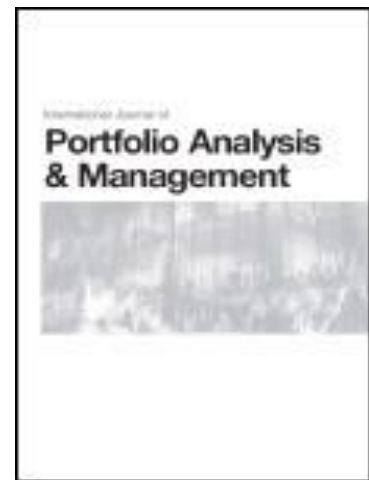
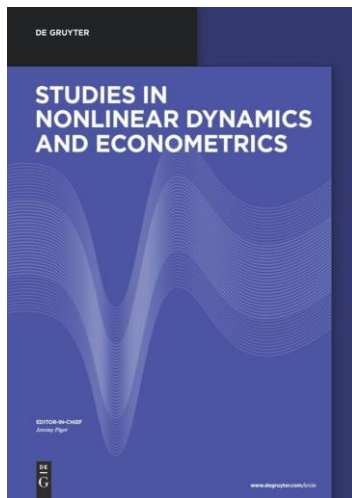


The Society for Nonlinear Dynamics and Econometrics



9th International Workshop on “Financial Markets and Nonlinear Dynamics” (FMND), 5-6 June 2025, Paris (France)

With the collaboration of the **International Association for Applied Econometrics (IAAE)**, the **Society for Nonlinear Dynamics and Econometrics (SNDE)**, the **Institute for Nonlinear Dynamical Inference (INDI)**, the **French Finance Association (AFFI)**, the **IAE Lille University School of Management (LUMEN)**, **Aix Marseille School of Economics** and **these Journals**:



9th International Workshop on “Financial Markets and Nonlinear Dynamics” (FMND), 5-6 June 2025, Paris (France)

Keynote Speakers

Prof. Yacine AIT-SAHALIA (NBER & Princeton University, the USA)

Prof. Iftekhar HASAN (Fordham University, the USA)

Distinguished Speaker

Prof. Hashem PESARAN (University of Cambridge and USC, the UK)

Prof. Timo TERASVIRTA (Aarhus University, Denmark)

Prof. Timo

Chairs

Prof. Gilles DUFRENOT (Sciences Po Aix, France)

Prof. Fredj JAWADI (University of Lille, France)

Co-sponsors:

International Association for Applied Econometrics (IAAE)

The Society for Nonlinear Dynamics and Econometrics

IAE Lille University School of Management -LUMEN

Workshop Address

The 9th FMND Workshop will be organized in Paris at the Building of “Chambre de Commerce et d'Industrie de Paris CCIP”.

Address: 2 place Bourse, 75002 Paris.

Metro: Bourse

Bourse is a station on Line 3 of the Paris Metro, situated in the 2nd arrondissement of Paris.

For more details, please refer to this link:

<https://fr.mappy.com/poi/5d8bfa5754c4c06509f7af0e>

General Workshop Program

Day 1: 5 June 2025

08:15 AM – 8:45 AM: Registration and Welcome Coffee

08:45 AM -09:00 AM Opening Remarks (Room Yvonne Foinant)

Prof. Gilles Dufrénot (Sciences Po Aix, France) and **Prof. Fredj Jawadi** (University of Lille, France)

09:00 AM – 10:30 AM Parallel Sessions 1 – 3 (Room Yvonne Foinant, Room Condorcet, Room 131)

SESSION 1: NONLINEAR DYNAMICS & MACHINE LEARNING, ROOM CONDORCET

CHAIRMAN: PROF. Willi Semmler (Bielefeld University & The New School for Social Research in New York, the USA)

SESSION 2: VOLATILITY & ASSET PRICE MODELING, ROOM YVONNE FOINANT

CHAIRMAN: PROF. Todd Prono (Federal Reserve Board, The USA)

SESSION 3: PHD STUDENT WORKSHOP 1, ROOM 131

CHAIRMAN: PROF. Gilles Dufrénot (Sciences Po Aix, France)

10:30 AM – 11:00 AM Coffee Break Room Legentil

11:00 AM – 12:00 PM Plenary Session 1 ROOM YVONNE FOINANT

Keynote Speaker 1: PROF. Iftekhar Hasan (Fordham University, The USA)

Moderator: PROF. Gilles Dufrénot (Science Po Aix, France)

12:00 PM – 01:30 PM Lunch

01:30 PM – 3:00 PM Parallel Sessions 4 - 6 (Room Yvonne Foinant, Room Condorcet, Room 131)

SESSION 4: CRYPTOCURRENCIES & AMMS, ROOM YVONNE FOINANT

CHAIRMAN: PROF. Cécile Bastidon (LEAD-Univ. Toulon & CAC-IXXI- Complex Systems Institute, France)

SESSION 5: MARKET MICROSTRUCTURE, ROOM CONDORCET

CHAIRMAN: Petre Caraiani (Bucharest University of Economic Studies and Institute for Economic Forecasting, Romanian Academy)

SESSION 6: COVID19 & FINANCIAL MARKET DYNAMICS, ROOM 131

CHAIRMAN: PROF. Margarita Rubio (University of Nottingham, The UK)

03:00 PM – 4.00 PM **Plenary Session 2** **Room Yvonne Foinant**
Keynote Speaker 2: PROF. Yacine Aït-Sahalia (NBER and Princeton University, The USA)
Moderator: PROF. Fredj Jawadi (University of Lille, France)

04:00 PM – 4.30 PM **Coffee Break** **Room Legentil**

04:30 PM – 06:00 PM Parallel Sessions 7 -9 (Room Yvonne Foinant, Room Condorcet, Room 131)

SESSION 7: GREEN FINANCE, ROOM YVONNE FOINANT

CHAIRMAN: PROF. Nicola Comincioli (University of Brescia & Fondazione Eni Enrico Mattei, Italy)

SESSION 8: FINANCIAL ECONOMETRICS 1, ROOM CONDORCET

CHAIRMAN: PROF. Stefan Reitz (University of Kiel, Germany)

SESSION 9: CLIMATE RISKS & MACRONOMICS, ROOM 131

CHAIRMAN: Gilles Dufrénot (Aix-Marseille School of Economics, France)

7:15 PM **Visit to the Musée d'Orsay¹**

8:30 PM **Dinner at Musée d'Orsay**

Day 2: 6 June 2025

09:00 AM – 10:30 AM **Parallel Sessions 10 – 11 (Room Vitrail, Room 131)**

SESSION 10: NONLINEAR TIME SERIES & FORECASTING, ROOM VITRIL

CHAIRMAN: PROF. Jane Binner (University of Birmingham, The UK)

SESSION 11: PHD STUDENT WORKSHOP 2, ROOM 131

CHAIRMAN: PROF. Remzi Uctum (CNRS & EconomiX-University of Paris Nanterre, France)

10:30 AM – 11:00 AM **Coffee Break** **Room Legentil**

11:00 AM – 12:30 PM Parallel Sessions 12 – 13 (Room Vitrail, Room 131)

SESSION 12: POLICY RULES FOR EUROPEAN COUNTRIES, ROOM VITRIL

CHAIRMAN: PROF. Ioannis Bournakis (Skema Business School, France)

SESSION 13: MACROECONOMETRIC & DSGE, ROOM 131

CHAIRMAN: PROF. Aicha Kharazi (University of Exeter Business School, The UK)

¹ Please, note that the visit and dinner are open only for the authors who registered for the dinner.

12:30 PM – 02:00 PM

Lunch

02:00 PM – 3.30 PM

Plenary Session 3 Room Vitrail

02:00 PM – 02:45 PM: Distinguished Speaker: PROF. Hashem Pesaran (University of Cambridge and USC, The UK)

Moderator: PROF. Fredj Jawadi (University of Lille, France)

02:45 PM – 03:30 PM: Distinguished Speaker: PROF. Timo Teräsvirta (Aarhus University, Denmark)

Moderator: PROF. Gilles Dufrénot (Science Po Marseille, France)

03:30 PM – 04:00 PM

Coffee Break Room Legentil

04:00 PM – 05:30 PM Parallel Sessions 14– 15 (Room Vitrail, Room 131)

SESSION 14: MACHINE LEARNING & FINANCIAL MARKET DYNAMICS, ROOM VITRAIL

CHAIRMAN: PROF. Gilles Dufrénot (Science Po Marseille, France)

SESSION 15: PHD STUDENT WORKSHOP 3, ROOM 131

CHAIRMAN: PROF. Fredj Jawadi (IAE Lille University School of Management, France)

05:30 PM – 06:30 PM MEETING WITH EDITORS ROOM VITRAIL

Moderator: PROF. Fredj Jawadi (IAE Lille University School of Management, France)

PROF. Yacine Aït Sahalia, Former Managing Editor of *Journal of Econometrics* and
Former Editor of *Review of Financial Studies*

PROF. Hashem Pesaran, Founding Editor of *Journal of Applied Econometrics*

PROF. Jeremy Piger, Editor in Chief of *Studies in Nonlinear Dynamics and Econometrics*,

06:30 PM CONCLUDING REMARKS AND INFORMATION ABOUT SPECIAL ISSUES ROOM VITRAIL

PROF. Gilles Dufrénot (Sciences Po Aix, France) and **PROF. Fredj Jawadi** (IAE Lille University School of Management, France)

Detailed Workshop Program

Day 1: 5 June 2025

08:15 AM – 8:45 AM: Registration and Welcome Coffee

08:45 AM -09:00 AM Opening Remarks (Room Yvonne Foinant)

Prof. Gilles Dufrénot (Sciences Po Aix, France) and **Prof. Fredj Jawadi** (University of Lille, France)

09:00 AM – 10:30 AM Parallel Sessions 1 – 3 (Room Yvonne Foinant, Room Condorcet, Room 131)

SESSION 1: NONLINEAR DYNAMICS & MACHINE LEARNING, ROOM CONDORCET

CHAIRMAN: PROF. Willi Semmler (Bielefeld University & The New School for Social Research in New York, the USA)

Paper Title (ID): Financial Stress Dynamics in European Economies: A Wavelet Coherence Analysis (39)

Authors: **Andreas Tsopanakis** (Cardiff Business School, The UK), Alexandros Tsioutsios (National and Kapodistrian University of Athens, Greece)

Discussant: **Willi Semmler** (Bielefeld University & The New School for Social Research in New York, the USA)

Paper Title (ID): Modelling Cooperative Fiscal Policy in the Euro Area with Reinforcement Learning and NMPC (63)

Authors: Tato Khundadze (The New School for Social Research in New York, the USA) and **Willi Semmler** (Bielefeld University & The New School for Social Research in New York, the USA)

Discussant: **Dante Amengual** (CEMFI, Spain)

Paper Title (ID): The Information Matrix Test for Markov Switching Autoregressive Models with Covariate-Dependent Transition Probabilities (56)

Authors: **Dante Amengual** (CEMFI, Spain), Gabriele Fiorentini (Università di Firenze and RCEA, Italy) and Enrique Sentana (CEMFI, Spain)

Discussant: **Andreas Tsopanakis** (Cardiff Business School, The UK)

SESSION 2: VOLATILITY & ASSET PRICE MODELING, ROOM YVONNE FOINANT

CHAIRMAN: PROF. Todd Prono (Federal Reserve Board, The USA)

Paper Title (ID): Fundamental Values of Equities under the Allocative Rationality Hypothesis: Evidence from US Firms (59)

Authors: **Remzi Uctum** (CNRS & EconomiX-University of Paris Nanterre, France), Georges Prat (University of Paris Nanterre & CNRS, France) and Fredj Jawadi (IAE Lille University School of Management, France)

Discussant: **Todd Prono** (Federal Reserve Board, The USA)

Paper Title (ID): Adapting a Risk-Off Sentiment Index: Analyzing the Propagation of Volatility across Economies (68)

Authors: **Yuyi Li** (Liverpool School of Management, The UK), Zongrun Wang (School of Business, Central South University, China), Yanyan Chen (School of Business, Central South University, China), Xiaohang Ren (School of Business, Central South University, China)

Discussant: **Remzi Uctum** (CNRS & EconomiX-University of Paris Nanterre, France)

Paper Title (ID): It's All about the Tails: On the Benefits of Variance-Targeted, Non-Gaussian, Quasi-Maximum Likelihood Estimation of GARCH Models (38)

Authors: **Todd Prono** (Federal Reserve Board, The USA)

Discussant: **Yuyi Li** (Liverpool School of Management, The UK)

SESSION 3: PHD STUDENT WORKSHOP 1, ROOM 131

CHAIRMAN: PROF. Gilles Dufrénot (Sciences Po Aix, France)

Paper Title (ID): Cross-Exchange Liquidity Dynamics: Decentralized and Centralized Crypto Platforms during the US Banking Crisis (46)

Authors: **Daniel Finnan** (CNAM Paris, France), Elisa Darriet (CNAM Paris, France) and Iryna Veryzhenko Leboeuf (CNAM Paris, France),

Discussant: **Roland Bouillot** (Maastricht University, The Netherlands)

Paper Title (ID): Ambiguity in Pricing Climate Uncertainty (10)

Authors: **Massimo Ziad Ammar** (Sapienza University of Rome, Italy), G. Curatola (University of Siena, Italy), M. Donadelli (University of Brescia, Italy), I. Gufler (LUISS Guido Carli., Italy) and V. Patella (Sapienza University of Rome)

Discussant: **Daniel Finnan** (CNAM Paris, France)

Paper Title (ID): Predicting Financial Fragmentation using Machine Learning (14)

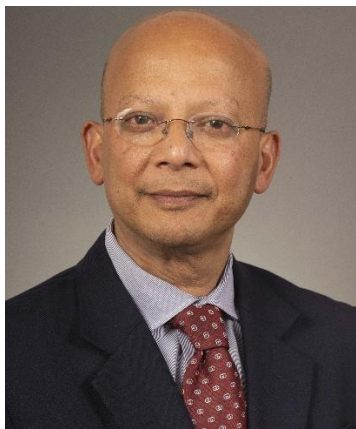
Authors: **Roland Bouillot** (Maastricht University, The Netherlands), Bertrand Candelon (Université Catholique de Louvain, Belgium) and Clemens Koom (Maastricht University, The Netherlands)

Discussant: **Massimo Ziad Ammar** (Sapienza University of Rome, Italy)

10:30 AM – 11:00 AM Coffee Break Room Legentil

Keynote Speaker 1: PROF. Iftekhar Hasan (Fordham University, The USA)

Moderator: PROF. Gilles Dufrénot (Science Po Aix, France)



Iftekhar Hasan holds the title of University Professor at Fordham University and serves as the E. Gerald Corrigan Chair in Finance at the Gabelli School of Business. He is a scientific advisor at the Central Bank of Finland, a fractional faculty member at the University of Sydney, and a research fellow at the IWH Institute in Halle, Germany. He is the managing editor of the *Journal of Financial Stability*. Professor Hasan's research interests include financial institutions, corporate finance, capital markets, and emerging economies, focusing on interdisciplinary questions and public policy issues. He has published extensively in influential academic outlets in finance, accounting, economics, international business, management, operation research, and information systems, significantly impacting the profession, as evidenced in *Google Scholar*.

Lecture: “Global Political Ties and the Global Financial Cycle”

Abstract

In this paper, we study the implications of forging stronger political ties with the US on the sensitivities of stock returns worldwide to a global common factor – the global financial cycle. Using voting patterns at the United Nations as a measure of political ties with the US and various measures of the global financial cycle, we document evidence indicating that stronger political ties with the US amplify the sensitivities of stock returns in developing countries to the global financial cycle. We explore several channels and find that a deepening of financial linkages, reduced information asymmetries, and amplified sentiment are potentially important factors behind this result.

01:30 PM – 3:00 PM Parallel Sessions 4 - 6 (Room Yvonne Foinant, Room Condorcet, Room 131)

SESSION 4: CRYPTOCURRENCIES & AMMS, ROOM YVONNE FOINANT

CHAIRMAN: PROF. Cécile Bastidon (LEAD-Univ. Toulon & CAC-IXXI- Complex Systems Institute, France)

Paper Title (ID): Assessing Bitcoin Return Extrema in the Context of Extreme Value Theory (11)

Authors: **Erhan Uluceviz** (Gebze Technical University, Turkey)

Discussant: PROF. Cécile Bastidon (LEAD-Univ. Toulon & CAC-IXXI- Complex Systems Institute, France)

Paper Title (ID): On-Chain Optimal Aggregation of Uniswap v3 Clones (58)

Authors: **Vincent Danos** (CNRS- Ecole Normale Supérieure, France), Hamza El Khalloufi (University Paris 1 Pantheon-Sorbonne & Mangrove DAO, France), Leo Murao Watson (University of Toronto, Canada) and Santiago Valencia (Giry SAS & Mangrove DAO, Spain)

Discussant: Erhan Uluceviz (Gebze Technical University, Turkey)

Paper Title (ID): Application of Smoothness-based and Temporally Sparse Learning of Time-Varying Graph to World Bonds Long-Term Evolutionary Patterns (5)

Authors: Patrice Abry (ENS de Lyon & CNRS, France), **Cécile Bastidon** (Univ. Toulon & CAC-IXXI- Complex Systems Institute, France), Myriam Bontonou (ENS de Lyon, France), Pierre Borgnat (ENS de Lyon, France), Pablo Jensen (ENS de Lyon & CNRS, France), and Antoine Parent (University of Paris 8 & CAC-IXXI- Complex Systems Institute, France)

Discussant: Vincent Danos (CNRS- Ecole Normale Supérieure, France)

SESSION 5: MARKET MICROSTRUCTURE, ROOM CONDORCET

CHAIRMAN: Petre Caraiani (Bucharest University of Economic Studies and Institute for Economic Forecasting, Romanian Academy)

Paper Title (ID): Securities Lending and Information Transmission: A Model of Endogenous Short-Sale Constraints

Authors: **Andrey Pankratov** (Laval University, Canada)

Discussant: Petre Caraiani (Bucharest University of Economic Studies and Institute for Economic Forecasting, Romanian Academy)

Paper Title (ID): When Prices Stand Still: A Robust Approach to Integrated Volatility Estimation (31)

Authors: **Emmanouil Daousis** (University of Ioannina, Greece) and Theodoros Simos (University of Ioannina, Greece)

Discussant: Andrey Pankratov (Laval University, Canada)

Paper Title (ID): Investor Sentiment Spillovers and Tail Risk Spillovers (35)

Authors: Dan Gabriel Anghel (Bucharest University of Economic Studies and Institute for Economic Forecasting, Romanian Academy) and **Petre Caraiani** (Bucharest University of Economic Studies and Institute for Economic Forecasting, Romanian Academy)

Discussant: Emmanouil Daousis (University of Ioannina, Greece)

SESSION 6: COVID19 & FINANCIAL MARKET DYNAMICS, ROOM 131

CHAIRMAN: PROF. Margarita Rubio (University of Nottingham, The UK)

Paper Title (ID): Forecasting Stock Market Trends using Bayesian Networks (36)

Authors: Nesrine Mechri (ESDES and Lyon Catholic University, France), Ali Ben Mrad (University of Sfax, Tunisia), Christian de Peretti (University Claude Bernard Lyon 1, France) and Salah Ben Hamed (University El Manar, Tunisia)

Discussant: Margarita Rubio (University of Nottingham, The UK)

Paper Title (ID): The Impact of China's Zero-COVID Policy on Healthcare Stock Returns (24)

Authors: Wenwen Luo (University of Bristol, The UK) and Wojtek Paczos (Cardiff University and Polish Academy of Sciences, The UK)

Discussant: Nesrine Mechri (ESDES and Lyon Catholic University, France)

Paper Title (ID): COVID-19 and the Zero Lower Bound: Policies for Recovery (28)

Authors: Margarita Rubio (University of Nottingham, The UK) and Isabella Blengini (EHL Lausanne, Switzerland)

Discussant: Wojtek Paczos (Cardiff University and Polish Academy of Sciences, The UK)

Discussant:

Keynote Speaker 2: PROF. Yacine Aït-Sahalia (NBER and Princeton University, The USA)

Moderator: PROF. Fredj Jawadi (University of Lille, France)



Yacine Aït-Sahalia is the Otto A. Hack 1903 Professor of Finance and Economics at Princeton University where he served as the inaugural Director of the Bendheim Center for Finance from 1998 until 2014. He was previously an Assistant Professor (1993-96), Associate Professor (1996-98) and Professor of Finance (1998) at the University of Chicago's Booth School of Business. He received his Ph.D. in Economics from the Massachusetts Institute of Technology in 1993 and his undergraduate degree from Ecole Polytechnique in France.

He has made fundamental research contributions to the analysis of continuous-time models in finance and economics, including new methods to estimate and test such models, nonparametric methods, likelihood inference for continuous-time models and various methods to analyze high frequency data with a particular emphasis on the presence of jumps. His research has been widely published in leading academic journals and found applications in scientific fields beyond finance and economics.

Yacine Aït-Sahalia has been elected a Fellow of the Econometric Society, the Institute of Mathematical Statistics, the American Statistical Association, the Society for Financial Econometrics, the Institut Louis Bachelier and the International Association for Applied Econometrics. He has received research fellowships from the Alfred P. Sloan Foundation and the John Simon Guggenheim Memorial Foundation, and is a Research Associate at the National Bureau of Economic Research.

He has received multiple awards for research excellence, including the Dennis J. Aigner Award, the FAME Research Prize, the Cornerstone Award and the Michael J. Brennan Award, as well as the University of Chicago's Emory Williams Award for teaching excellence.

Lecture: “So Many Jumps, So Little News”

Abstract

This paper relates jumps in high frequency stock prices to firm-level, industry and macroeconomic news, in the form of machine-readable releases from Thomson Reuters News Analytics. We find that most relevant news, both idiosyncratic and systematic, lead quickly to price jumps, as market efficiency suggests they should. However, in the reverse direction, the vast majority of price jumps do not have identifiable public news that can explain them, in a departure from the ideal of a fair, orderly and efficient market. We show that jumps without news do not correlate with observable proxies for asymmetric or private information, and that microstructure-driven variables have only limited power to help predict the occurrence of jumps without news.

04:00 PM – 4.30 PM **Coffee Break** **Room Legentil**

04:30 PM – 06:00 PM **Parallel Sessions 7 -9 (Room Yvonne Foinant, Room Condorcet, Room 131)**

SESSION 7: GREEN FINANCE, ROOM YVONNE FOINANT

CHAIRMAN: PROF. Nicola Comincioli (University of Brescia & Fondazione Eni Enrico Mattei, Italy)

Paper Title (ID): Stringent Climate Policy and Implications for Inflation in the Euro Area (71)

Authors: **Mahmoud Hassan** (Bordeaux School of Economics, France), Ji-Yong Lee (Audencia Business School, France), Marc Kouzez (ICN Business School, France)

Discussant: **Nicola Comincioli** (University of Brescia & Fondazione Eni Enrico Mattei, Italy)

Paper Title (ID): Stochastic volatility estimation through parallel computing (47)

Authors: **António A. F. Santos** (University of Coimbra & CeBER, Portugal)

Discussant: **Mahmoud Hassan** (Bordeaux School of Economics, France)

Paper Title (ID): Trump's 2024 Win and The Fate of Green and Brown Portfolio Returns (65)

Authors: **Nicola Comincioli** (University of Brescia & Fondazione Eni Enrico Mattei, Italy), Michael Donadelli (University of Brescia, Italy)

Discussant: **Giovanni Urga** (Bayes Business School, The UK)

SESSION 8: FINANCIAL ECONOMETRICS 1, ROOM CONDORCET

CHAIRMAN: PROF. Stefan Reitz (University of Kiel, Germany)

Paper Title (ID): Asymmetric Roles of Macroeconomic Variables in the Real Exchange Rate: Insights from U.S.-Korea Data (7)

Authors: **Hyeonwoo Kim** (Auburn University, The USA), Sarthak Behera (Centre College, The USA); Soohyon Kim (Chonnam National University, Korea)

Discussant: **Stefan Reitz** (University of Kiel, Germany)

Paper Title (ID): Gauging Excess Volatility of the EUR/USD Exchange Rate through GAS-VAR Analysis (32)

Authors: **Leonardo Bargigli** (University of Florence, Italy)

Discussant: **Hyeonwoo Kim** (Auburn University, The USA)

Paper Title (ID): Risk Premiums in Long-Run Exchange Rate Forecasts (13)

Authors: Joscha Beckmann (FernUniversitaet Hagen and Kiel Institute for the World Economy, Germany,) and **Stefan Reitz** (University of Kiel, Germany)

Discussant: **Leonardo Bargigli** (University of Florence, Italy)

SESSION 9: CLIMATE RISKS & MACRONOMICS, ROOM 131

CHAIRMAN: Gilles Dufrénot (Aix-Marseille School of Economics, France)

Paper Title (ID): Can Central Banks Integrate Climate Risk into Monetary Policy Amid Geopolitical Tensions? (100)

Authors: Karim I. Cheffou (ISG International Business School, Paris, France), **Fredj Jawadi** (IAE Lille University School of Management, France) and Philippe Rozin (IAE Lille University School of Management, France)

Discussant: Gilles Dufrénot (Aix-Marseille School of Economics, France)

Paper Title (ID): Modelling Impact of CO2-Diminishing Budget-Neutral Fiscal Policy on the OECD Growth and Employment (23)

Authors: Willi Semmler (The New School in New York, The USA), **Feridoon Koohi-Kamali** (Ontofuture, The USA) and Samuel Owsus (New School for Social Research, The USA)

Discussant: Fredj Jawadi (IAE Lille University School of Management, France)

Paper Title (ID): Impact of Natural Disasters: Average Effects Hide Heterogeneity across Growth Regimes and Time Horizons (27)

Authors: **Gilles Dufrénot** (Aix-Marseille School of Economics, France) and Edem Egnikpo (Aix-Marseille School of Economics, France)

Discussant: Feridoon Koohi-Kamali (Ontofuture, The USA)

7:15 PM

Visit to the Musée d'Orsay²

8:30 PM

Dinner at Musée d'Orsay

² Please, note that the visit and dinner are open only for the authors who registered for the dinner.

Day 2: 6 June 2025

09:00 AM – 10:30 AM **Parallel Sessions 10 – 11 (Room Vitrail, Room 131)**

SESSION 10: NONLINEAR TIME SERIES & FORECASTING, ROOM VITRAIL

CHAIRMAN: PROF. Jane Binner (University of Birmingham, The UK)

Paper Title (ID): Monetary Model of Exchange Rate Dynamics and Its Determinants in India: A Nonlinear Framework (41)

Authors: **Masudul Hasan Adil** (Indian Institute of Technology Mand, India), Aditi Chaubal (Indian Institute of Technology Bombay, India)

Discussant: **Jane Binner** (University of Birmingham, The UK)

Paper Title (ID): Does Household Debt Affect the Transmission Mechanism of Monetary Policy? (36)

Authors: **Juan Zurita** (University of Edinburgh, The UK)

Discussant: **Masudul Hasan Adil** (Indian Institute of Technology Mand, India)

Paper Title (ID): Exchange Rate Direction of Change Forecasting and Divisia Monetary Aggregates (19)

Authors: **Jane Binner** (University of Birmingham, The UK), Peter Tino (University of Birmingham, The UK), James Swofford (University of South Alabama, The USA), Luis Molinas Sosa (Central Bank of Paraguay, Paraguay) and Megan Hart (Legal and General in Bristol, The UK).

Discussant: **Juan Zurita** (University of Edinburgh, The UK)

SESSION 11: PHD STUDENT WORKSHOP 2, ROOM 131

CHAIRMAN: PROF. Remzi Uctum (CNRS & EconomiX-University of Paris Nanterre, France)

Paper Title (ID): Monetary Policy Announcement and Media Sentiment (60)

Authors: Joscha Beckmann (FernUniversität in Hagen & Kiel Institute for the World Economy, Germany), Davide Romelli (Trinity College Dublin, Ireland) and **Godwin Ezekoye** (Sapienza University of Rome, Italy)

Discussant: **Josef Kurka** (Charles University, The Czech Republic)

Paper Title (ID): Skewness Dispersion and the Expected Equity Premium (18)

Authors: Mykola Babiak (Lancaster University Management Scho, The UK), Jozef Barunik (Charles University, The Czech Republic) and **Josef Kurka** (Charles University, The Czech Republic)

Discussant: **Saidou Bassine Sow** (University of Gaston Berger de Saint-Louis, Senegal)

Paper Title (ID): An Examination of Contagion between African Stock Markets and Four Developed Markets during the COVID-19 Pandemic (29)

Authors: **Saidou Bassine Sow** (University of Gaston Berger de Saint-Louis, Senegal) and Mouhamadou Lamine Mbengue (University of Gaston Berger de Saint-Louis, Senegal)

Discussant: **Godwin Ezekoye** (Sapienza University of Rome, Italy)

10:30 AM – 11:00 AM **Coffee Break** **Room Legentil**

11:00 AM – 12:30 PM **Parallel Sessions 12 – 13 (Room Vitrail, Room 131)**

SESSION 12: POLICY RULES FOR EUROPEAN COUNTRIES, ROOM VITRAIL

CHAIRMAN: PROF. Ioannis Bournakis (Skema Business School, France)

Paper Title (ID): The Role of Fiscal Rules for Spending Multipliers in European Union Countries (78)

Authors: **Andrzej Torój** (SGH Warsaw School of Economics, Poland), Anna Sznajderska (SGH Warsaw School of Economics, Poland) and Rafał Chmura (SGH Warsaw School of Economics, Poland)

Discussant: **Ioannis Bournakis** (Skema Business School, France)

Paper Title (ID): Heterogeneous Tilting Taxation on the Path towards Deeper Fiscal Integration (77)

Authors: Mariam Camarero (Universitat Jaume I, Spain), **Juan Sapena** (Catholic University of Valencia, Spain) and Cecilio Tamarit (University of Valencia, Spain)

Discussant: **Andrzej Torój** (SGH Warsaw School of Economics, Poland)

Paper Title (ID): Taxing Fairly or Favoring Capital? Unequal Tax Burdens in European Industries (54)

Authors: **Ioannis Bournakis** (Skema Business School, France) and Desiderio Romero Jordan (Rey Juan Carlos University, Spain)

Discussant: **Juan Sapena** (Catholic University of Valencia, Spain)

SESSION 13: MACROECONOMETRIC & DSGE, ROOM 131

CHAIRMAN: PROF. Aicha Kharazi (University of Exeter Business School, The UK)

Paper Title (ID): Anchoring Expectations vs. Direct Inflation Targeting in a New Keynesian Model with Bounded Rationality and Heuristic Switching (37)

Authors: **Soumya Datta** (South Asian University, India)

Discussant: **Aicha Kharazi** (University of Exeter Business School, The UK)

Paper Title (ID): Non-Value-Added Tax: Improving Economic Fairness to Reduce Uncertainty (76)

Authors: **Arthur Jonath** (Profit and Entropy, The USA), John O'Connell (University of Virginia, The USA), Fred Khorasani (Profit and Entropy, The USA)

Discussant: **Soumya Datta** (South Asian University, India)

Paper Title (ID): Macroeconomic Effects of Collateral Requirements and Financial Shocks (3)

Authors: **Aicha Kharazi** (University of Exeter Business School, The UK)

Discussant: **Arthur Jonath** (Profit and Entropy, The USA)

12:30 PM – 02:00 PM

Lunch

02:00 PM – 3.30 PM

Plenary Session 3 Room Vitrail

02:00 PM – 02:45 PM: Distinguished Speaker: PROF. Hashem Pesaran (University of Cambridge and USC, The UK)

Moderator: PROF. Fredj Jawadi (University of Lille, France)



Dr. M. Hashem Pesaran is the John Elliot Distinguished Chair in Economics and Professor of Economics at USC Dornsife, and Director of the Center for Applied Financial Economics. He is also an Emeritus Professor of Economics at Cambridge University and a Lifetime Fellow of Trinity College, Cambridge.

Dr. Pesaran is a Fellow of the British Academy, the Econometric Society and the *Journal of Econometrics*. He was awarded Honorary Doctorates by the University of Salford in 1993, the University of Goethe, Frankfurt in 2008, the University of Maastricht in 2013 and the University of Economics in Prague in 2016. In September 2013 he was named as Thomson Reuters Citation Laureate in Economics. More recently he was named by Thomson Reuters as one of the World's Most Influential Scientific Minds for 2014 and 2015.

He has served as consultant to the United Nations, the World Bank and the International Monetary Fund. Dr. Pesaran is the founding editor of the *Journal of Applied Econometrics*, and a founding Board Member of the International Association for Applied Econometrics. His work has been published around 250 articles in academic journals and edited volumes, and 19 books and edited volumes. He received the Royal Economic Society Prize (1992), the Best Paper Award of *Econometric Reviews* (2004-2005), Best Paper Award of the *International Journal of Forecasting* (2007), and the *Econometric Theory* Award (2008).

Lecture: “Identifying and Exploiting Alpha in Linear Asset Pricing Models with Many Potential Risk Factors”

Abstract

The risk premia of traded factors are the sum of factor means and a parameter vector we denote by ϕ which is identified from the cross-section regression of alpha on the vector of factor loadings, beta. If ϕ is non-zero, then alpha are non-zero and one can construct "phi-portfolios" which exploit the systematic components of non-zero alpha. We show that for known values of beta and when ϕ is non-zero there exist phi-portfolios that dominate mean-variance portfolios. The paper then proposes a two-step bias corrected estimator of ϕ and derives its asymptotic distribution allowing for idiosyncratic pricing errors, weak missing factors, and weak error cross-sectional dependence. Small sample results from extensive Monte Carlo experiments show that the proposed estimator has the correct size with good power properties. The paper also provides an empirical application to a large number of U.S. securities with risk factors selected from a large number of potential risk factors according to their strength and constructs phi-portfolios and compares their Sharpe ratios to mean variance and S&P 500 portfolios.

02:45 PM – 03:30 PM: Distinguished Speaker: PROF. Timo Teräsvirta (Aarhus University, Denmark)

Moderator: PROF. Gilles Dufrénot (Science Po Marseille, France)



Timo Teräsvirta is Professor Emeritus of Economics, Aarhus University. He is Visiting Scholar at the Centre for Applied Statistics and Economics (C.A.S.E), Humboldt-Universität zu Berlin. He received his DPolSc (Econometrics) from the University of Helsinki. He has been Professor of Statistics, University of Helsinki, 1976-1980, Research Fellow, Research Institute of the Finnish Economy, 1980-1989, Research Fellow, Norges Bank, 1993-1994, and Professor of Econometrics, Stockholm School of Economics, 1994-2006. He was Distinguished Senior Fellow at the Hanken School of Economics, Helsinki, 2001-2013, and Visiting Professor at the Queensland University of Technology, Brisbane, 2013-2016. Teräsvirta is elected member of the International Statistical Institute (since 1978), Societas Scientiarum Fennica, Helsinki (since 1978), and the Royal Swedish Academy of Sciences, Stockholm (since 2001). He is Journal of Applied Econometrics Distinguished Author, Fellow of *Journal of Econometrics*, Honorary Member of the Finnish Statistical Society, Fellow of the Society for Financial Econometrics, and Fellow of the International Institute of Forecasters. Teräsvirta was member of the Prize Committee for the Sveriges Riksbank Prize in Economic Sciences in memory of Alfred Nobel, 2002-2010.

He has co-authored two books on nonlinear econometrics (with Clive W.J. Granger and Dag Tjøstheim) and published a number of book chapters and articles in international journals. His research and teaching interests include nonlinear time series econometrics and volatility modelling.

Lecture: “Dynamic Time-Varying Betas and Climate and Political Risk Factors for Four Largest Australian Banks”

Abstract

In this paper, we examine two types of risk — climate and political risk — for the four major Australian banks, commonly known as the Big Four. They account for about 20% of the value of the Australian stock market and are therefore important to the Australian economy. We first introduce a new time-varying beta called the dynamic time-varying beta. It is different from the dynamic conditional beta that forms a part of the definition of the climate risk introduced by Jung et al. (2023). Maximum likelihood estimators for this new beta are shown to be consistent and asymptotically normal. The beta is used for estimating the climate and the newly defined political risk for the Big Four using portfolios designed for Australian conditions. The results are compared with climate risk estimates generated by V-Lab, a website of the New York University, Stern School of Business. Differences between climate risk estimates in our study and V-Lab ones, due mainly to different climate portfolios, are highlighted.

03:30 PM – 04:00 PM **Coffee Break** **Room Legentil**

04:00 PM – 05:30 PM **Parallel Sessions 14– 15 (Room Vitrail, Room 131)**

SESSION 14: MACHINE LEARNING & FINANCIAL MARKET DYNAMICS, ROOM VITRAIL

CHAIRMAN: PROF. Gilles Dufrénot (Science Po Marseille, France)

Paper Title (ID): Determinants of Wash Trading in Major Crypto-Exchanges (79)

Authors: Jan Sila (Czech Academy of Sciences & Charles University, Czechia), Evzen Kocenda (Czech Academy of Sciences & Charles University, Czechia), Ladislav Kristoufek (Czech Academy of Sciences & Charles University, Czechia) and **Jiri Kukacka** (Czech Academy of Sciences & B Charles University, Czechia)

Discussant: Bo Yuan (Judge Business School, University of Cambridge, The UK)

Paper Title (ID): Spatial Marginal Expansion and Financing Constraints of Small and Medium-sized Enterprises from the Perspective of Machine Learning Algorithms (21)

Authors: Qingyuan Wu (Hanshan Normal University, China), Jiajia Huang (Hanshan Normal University, China), William A. Barnett (University of Kansas, The USA), **Xue Wang** (Emory University, the USA), and Zhenwei Liu (Guangdong Nanyue Bank, China)

Discussant: Jiri Kukacka (Czech Academy of Sciences & B Charles University, Czechia)

Paper Title (ID): Machine Learning in Foreign Exchange (69)

Authors: **Bo Yuan** (Judge Business School, University of Cambridge, The UK)

Discussant: Xue Wang (Emory University, the USA)

SESSION 15: PHD STUDENT WORKSHOP 3, ROOM 131

CHAIRMAN: PROF. Fredj Jawadi (IAE Lille University School of Management, France)

Paper Title (ID): A Tale of Two Cycles: Business and Financial Cycle Synchronization in the Euro Area (26)

Authors: **Tom Bugdalle** (University of Leipzig, Germany) and Moritz Pfeifer (University of Leipzig, Germany)

Discussant: Sinian Zheng (University College Dublin, Ireland)

Paper Title (ID): Adaptive Graph Convolutional Recurrent Network for Forecasting Realized Covariance Matrices (62)

Authors: **Diana Komis** (University of Macerata, Italy), Luca Riccetti (Università degli Studi di Macerata, Italy) and Andrea Bucci (University of Macerata, Italy)

Discussant: Tom Bugdalle (University of Leipzig, Germany)

Paper Title (ID): Research on the Effectiveness of ESG Screening Strategies in China's A-share Market: From the Perspective of Industry Heterogeneity (25)

Authors: **Sinian Zheng** (University College Dublin, Ireland), Valerio Poti (University College Dublin, Ireland), Alessia Paccagnini (University College Dublin, Ireland)

Discussant: Diana Komis (University of Macerata, Italy)

05:30 PM – 06:30 PM MEETING WITH EDITORS ROOM VITRIL

Moderator: PROF. Fredj Jawadi (IAE Lille University School of Management, France)

PROF. Yacine Aït Sahalia, Former Managing Editor of *Journal of Econometrics* and
Former Editor of Review of Financial Studies

PROF. Hashem Pesaran, Founding Editor of *Journal of Applied Econometrics*

PROF. Jeremy Piger, Editor in Chief of *Studies in Nonlinear Dynamics and
Econometrics*,

**06:30 PM CONCLUDING REMARKS AND INFORMATION ABOUT SPECIAL
ISSUES ROOM VITRIL**

PROF. Gilles Dufrénot (Sciences Po Aix, France) and **PROF. Fredj Jawadi** (IAE Lille
University School of Management, France)