TWENTY-FIRST ANNUAL SYMPOSIUM
OF
THE SOCIETY FOR NONLINEAR DYNAMICS AND ECONOMETRICS
MARCH 28 – MARCH 29, 2013

UNIVERSITY OF MILANO-BICOCCA
MILAN, ITALY

UNIVERSITA' DEGLI STUDI DI MILANO
BICOCCA

DEMS
Dipartimento di Economia, Metodi Quantitativi e Strategie di Impresa

Milano | Comune di Milano

Journal of
APPLIED ECONOMETRICS

THURSDAY, MARCH 28

07:45 – 08:35   **REGISTRATION AND BREAKFAST** (BUILDING U6)

08:35 – 08:45   **WELCOME** (ROOM MARTINI, U6-4)

Prof. James Morley, SNDE President
Prof. Marcello Fontanesi, UNIMIB Rector
Assessore Cristina Tajani, Milan City Council Representative

08:45 – 09:45   **WELCOMING PLENARY SESSION** (Room Martini, U6-4)

Forecasting with Dimension Switching VARs
Prof. Gary Koop
University of Strathclyde

9:45 - 11:15   **SESSION 2: FORECAST RATIONALITY/OPTIMALITY** (ROOM 1A)
Chair: Francesco Ravazzolo (Norges Bank)

Conservatism in Inflation Forecasts
Monica Jain; Bank of Canada

The Federal Reserve's Forecast Asymmetries Over the Business Cycle
Riccardo DiCecio; Federal Reserve Bank of St. Louis
Julieta Caunedo; Washington University in St. Louis
Ivana Komunjer; University of California, San Diego
Michael Owyang; Federal Reserve Bank of St. Louis

Forecast Optimality Tests in the Presence of Instabilities
Tatevik Sekhposyan; Bank of Canada
Barbara Rossi; ICREA-UPF and BGSE

9:45 - 11:15   **SESSION 3: FINANCIAL ECONOMICS** (ROOM 1B)
Chair: Gaetano Antinolfi (Washington University and Federal Reserve Board)

Linear Predictability vs. Bull and Bear Market Models in Strategic Asset Allocation
Decisions: Evidence from UK Data
Massimo Guidolin; Bocconi University

Testing the Economic Value of Asset Return Predictability
Michael McCracken; Federal Reserve Bank of St. Louis

The Economics of Options-Implied In Probability Density Functions
Yuriy Kitsul; Federal Reserve Board
Jonathan Wright; Johns Hopkins University

9:45 - 11:15 **SESSION 4: TOOLS FOR MACROECONOMETRIC ANALYSIS** (ROOM 1C)
Chair: Sarah Zubairy (Bank of Canada)

On the Estimation of Dynamic Stochastic General Equilibrium Models: An Empirical Likelihood Approach
 Sara Riscado; Universidad Carlos III

Mixed Frequency Structural Models: Identification, Estimation, and Policy Analysis
 Claudia Foroni; Norges Bank
 Massimiliano Marcellino; European University Institute

A Unified Theory for Time Varying Models with Applications to Economics and Finance (and some results on companion and continuant matrices)
 Menelaos Karanasos; Brunel University
 Stavros Dafnos; Brunel University
 Alexandros Paraskevopoulos

9:45 - 11:15 **SESSION 5: AUTOREGRESSIVE PROCESSES** (ROOM 1E)
Chair: Timo Teräsvirta (Aarhus University)

A Gaussian Mixture Autoregressive Model for Univariate Time Series
 Leena Kalliovirta; University of Helsinki
 Mika Meitz; Koc University
 Pentti Saikkonen; University of Helsinki

Bias-Corrected Estimation in Potentially Mildly Explosive Autoregressive Models
 Hendrik Kaufmann; Leibniz Universität Hannover
 Robinson Kruse; Leibniz University Hannover

Generalizing Smooth Transition Autoregressions
 Emilio Zanetti Chini; University of Rome

9:45 - 11:15 **SESSION 6: ECONOMIC GROWTH** (ROOM 1F)
Chair: Daniel Henderson (University of Alabama)

On the Determinants of Distribution Dynamics: a New Method and an Application to a Cross-Section of Countries
 Angela Parenti; University of Pisa
 Davide Fiaschi; University of Pisa
 Andrea Mario Lavezzi; Università di Palermo

Top Incomes, Rising Inequality, and Welfare
 Kevin Lansing; Federal Reserve Bank of San Francisco and Norges Bank
 Agnieszka Markiewicz; Erasmus University Rotterdam

Growth and Convergence with a Normalized CES Production Function and Additive Human Capital
 Gerald Daniels; University of California, Riverside

9:45 - 11:15 **SESSION 7: LONG MEMORY** (ROOM 1D)
Chair: M. Ege Yazgan (Istanbul Bilgi University)

Variance Ratio Testing for Fractional Cointegration in the Presence of Trends and Trendbreaks
Andreas Dechert; Julius-Maximilians-University Wuerzburg

Fractional Integration Versus Level Shifts: The Case of Realized Asset Correlations
Philipp Sibbertsen; Leibniz Universitaet Hannover
Philip Bertram; University of Hanover
Robinson Kruse; Leibniz University Hannover

Factor Vector Autoregressive Estimation of Heteroskedastic Persistent and Non Persistent Processes Subject to Structural Breaks: New Insights on the US OIS Spreads Term Structure
Claudio Morana; Università di Milano Bicocca

11:15 – 11:45 **COFFEE/TEA**

11:45 - 13:15 **SESSION 8: FORECASTING AND VOLATILITY** (ROOM 1A)
Chair: Mark Jensen (Atlanta Federal Reserve Bank)

Do We Need Intra-Daily Data to Forecast Daily Volatility?
Georgiana Denisa Banulescu; Univ of Orléans and Maastricht Univ
Bertrand Candelon; Maastricht University
Christophe Hurlin; University of Orléans
Sébastien Laurent; Maastricht University

Common Drifting Volatility in Large Bayesian Vars
Andrea Carriero; Queen Mary Univerity of London

The Macroeconomic Forecasting Performance of Autoregressive Models with Alternative Specifications of Time-Varying Volatility
Francesco Ravazzolo; Norges Bank
Todd Clark; Federal Reserve Bank of Cleveland

11:45 - 13:15 **SESSION 9: THEORETICAL FINANCE** (ROOM 1B)
Chair: Saskia Ellen (Erasmus University Rotterdam)

Using Pigouvian Taxes To Correct Banking Externalities: A Cautionary Tale
Enzo Dia; Università degli Studi di Milano-Bicocca
David VanHoose; Baylor University

Life-Cycle Portfolio Choice with Liquid and Illiquid Financial Assets
Claudio Campanale; University of Alicante
Carolina Fugazza; Università Milano Bicocca; CeRP-Collegio Carlo Alberto
Francisco Gomes; London Business School

11:45 - 13:15   **SESSION 9: THEORETICAL FINANCE** (ROOM 1B) *CONTINUED*
Chair: Saskia Ellen (Erasmus University Rotterdam)

Monetary Policy and Debt Deflation: Some Computational Experiments
Carl Chiarella; University of Technology Sydney
Corrado Di Guilmi; University of Technology Sydney
Timo Henkel; Australian National University

11:45 - 13:15   **SESSION 10: NOISE, STRESS, AND UNCERTAINTY** (ROOM 1C)
Chair: TengTeng Xu (Bank of Canada)

Identifying Noise Shocks: a VAR with Data Revisions
Riccardo Maria Masolo; Bank of England
Alessia Paccagnini; Bicocca University

Measuring Economic Stress with a Factor-Augmented Smooth Transition Model
Michael Owyang; Federal Reserve Bank of St. Louis
Ana Beatriz Galvao; Queen Mary, University of London

Non-Linear Macroeconomic Reactions to Uncertainty Shocks in the U.S.
Efrem Castelnuovo; University of Padova
Giovanni Caggiano; University of Padua
Nicolas Groshenny; Reserve Bank of New Zealand

11:45 - 13:15   **SESSION 11: TESTING PREDICTABILITY** (ROOM 1E)
Chair: Richard Baillie (Michigan State University)

The Cross-Quantilogram and Testing Directional Predictability between Time Series
Tatsushi Oka; National University of Singapore
Heejoon Han; Kyung Hee University
Yoon-Jae Whang; Seoul National University

Nonlinear Granger Causality: Guidelines for Multivariate Analysis
Marcin Wolski; University of Amsterdam
Cees Diks; University of Amsterdam

Tests for Predictability in Smooth Transition Predictive Regressions
Rehim Kilic; Koc University

11:45 - 13:15   **SESSION 12: FISCAL POLICY AND GROWTH** (ROOM 1F)
Chair: Gerald Daniels (University of California, Riverside)

Endogenous Growth with Public Capital and Progressive Taxation
Constantine Angyridis; Ryerson University

11:45 - 13:15   **SESSION 12: FISCAL POLICY AND GROWTH** (ROOM 1F)   *CONTINUED*
Chair: Gerald Daniels (University of California, Riverside)

Government Debt and Economic Growth: Threshold Estimation in Nonparametric Regression
  Daniel Henderson; University of Alabama

Balanced Budget, Patterns of Aggregate Fluctuations and an Overlapping Generations Model with Externalities
  Yoichi Gokan; Ritsumeikan University

11:45 - 13:15   **SESSION 13: COMMODITIES AND FINANCIAL MARKETS** (ROOM 1D)
Chair: Ivan Paya (Lancaster University Management School)

Ethanol and Field Crops in the U.S.: Predictability Beyond the Mean?
  Matteo Manera; University of Milano-Bicocca
  Andrea Bastianin; University of Milano-Bicocca
  Marzio Galeotti; Università degli Studi di Milano

Biofuels or Financialization: Explaining the Increased Correlation between Grains and Crude Oil Prices
  Harriet Mugera; University of Trento
  Christopher Gilbert; University of Trento

Testing for Bubbles in LME Metals Prices
  Isabel Figuerola-Ferretti; Universidad Carlos III de Madrid
  Christopher Gilbert; University of Trento
  Roderick McCrorie; University of St. Andrews

13:15 – 14:30   **LUNCH**

14:30 - 16:00   **SESSION 14: VARS AND FORECASTING** (ROOM 1A)
Chair: Christiane Baumeister (Bank of Canada)

Forecasting with a Noncausal VAR Model
  Henri Nyberg; University of Helsinki
  Pentti Saikkonen; University of Helsinki

Large Time Varying Parameter VARs
  Dimitris Korobilis; University of Glasgow
  Gary Koop; University of Strathclyde

Forecasting with Bayesian Multivariate Vintage-Based VARs
  Ana Beatriz Galvao; Queen Mary, University of London
  Andrea Carriero; Queen Mary Univerity of London
  Michael Clements; University of Warwick

14:30 - 16:00 **SESSION 15: FINANCIAL MARKET VOLATILITY** (ROOM 1B)
Chair: Drew Creal (University of Chicago)

A Stochastic Volatility Jump Model: Market Induced or Stock Specific Jumps?
Serda Ozturk; Istanbul Bilgi University

Estimating a Semiparametric Asymmetric Stochastic Volatility Model with a Dirichlet Pocess Mixture
Mark Jensen; Atlanta Federal Reserve Bank

Rational Speculators, Contrarians and Excess Volatility
Matthijs Lof; University of Helsinki

14:30 - 16:00 **SESSION 16: MONETARY AND FISCAL POLICY** (ROOM 1C)
Chair: Irina Panovska (Washington University in St. Louis)

Financial Instability and Monetary Policy
Venoo Kakar; University of California, Riverside

The Changing Transmission Mechanism of U.S. Monetary Policy
Pao-Lin Tien; Wesleyan University
Norhana Endut; Central Bank of Malaysia
James Morley; University of New South Wales

Propagation Mechanisms for Government Spending Shocks: A Bayesian Comparison
Sarah Zubairy; Bank of Canada
Anna Kormilitsina; Southern Methodist University

14:30 - 16:00 **SESSION 17: COPULAS** (ROOM 1E)
Chair: Svetlana Borovkova (Vrije Universiteit Amsterdam)

Commodity and Equity Markets: Some Stylized Facts from a Copula Approach
Claude Lopez; Banque de France

Modeling Contagion in the EMU Crisis: A Conditional Copula Approach
Christian Leschinski; Leibniz Universität Hannover
Philip Bertram; University of Hanover

Copula-Based Nonlinear Models of Spatial Market Linkages
Gulcan Onel; University of Florida
Barry Goodwin; North Carolina State University
Matthew Holt; Univesity of Alabama
Jeffrey Prestemon; Forest Service, United States Department of Agriculture

14:30 - 16:00   **SESSION 18: INTERNATIONAL MACRO I** (ROOM 1F)
Chair: Efthymios Pavlidis (Lancaster University Management School)

Consistent Expectations and the Behavior of Exchange Rates
  Jun Ma; University of Alabama
  Kevin Lansing; Federal Reserve Bank of San Francisco and Norges Bank

The Cost of Adjustment: On Comovement between the Trade Balance and the Terms of Trade
  Alexandre Dmitriev; University of Tasmania
  Ivan Roberts; Reserve Bank of Australia

A New Test for Rational Speculative Bubbles using Forward Exchange Rates: The Case of the Interwar German Hyperinflation
  Ivan Paya; Lancaster University Management School
  Efthymios Pavlidis; Lancaster University Management School
  David Peel; Lancaster University Management School

16:00 – 16:30   **COFFEE/TEA**

16:30 - 18:00   **SESSION 20: FORECASTING I** (ROOM 1A)
Chair: Richard Ashley (Virginia Tech)

Forecasting the US Economy with a Factor-Augmented Vector Autoregressive DSGE Model
  Alessia Paccagnini; Bicocca University
  Stelios Bekiros; European University Institute (EUI)

Markov-Switching Mixed Frequency VAR Models
  Pierre Guerin; Bank of Canada
  Claudia Foroni; Norges Bank
  Massimiliano Marcellino; European University Institute

Forecasting the Distribution of Economic Variables in a Data-Rich Environment
  Sebastiano Manzan; Baruch College, CUNY

16:30 - 18:00   **SESSION 21: FINANCIAL MARKET VOLATILITY AND SPECULATION** (ROOM 1B)
Chair: Carl Chiarella (University of Technology Sydney)

Two Volatility Term Structures
  Xiaoyu Shen; VU University Amsterdam

It's All About Volatility (of volatility): Evidence from a Two-Factor Stochastic Volatility Model
  Stefano Grassi; Aarhus University
  Paolo de Magistris; CREATES - University of Aarhus

16:30 - 18:00   **SESSION 21: FINANCIAL MARKET VOLATILITY AND SPECULATION** (ROOM 1B)
Chair: Carl Chiarella (University of Technology Sydney) CONTINUED

Fear or Fundamentals? Speculative Behaviour in the European CDS Market
   Saskia Ellen; Erasmus University Rotterdam
   Carl Chiarella; University of Technology Sydney
   Tony He; University of Technology Sydney
   Eliza Wu; University of Technology Sydney

16:30 - 18:00   **SESSION 22: INTERNATIONAL MACRO II** (ROOM 1C)
Chair: Dimitris Korobilis (University of Glasgow)

Symmetry and Separability in Two-Country Cointegrated VAR Models: Representation and Testing
   Hans-Martin Krolzig; The University of Kent
   Reinhold Heinlein; The University of Kent

Measuring the Connectedness of the Global Economy
   Matthew Greenwood-Nimmo; University of Leeds
   Viet Nguyen; Melbourne Institute of Applied Economic and Social Research
   Yongcheol Shin; University of York

Business Cycle Fluctuations and Private Savings in OECD Countries: A Panel Data Analysis
   Lorenzo Pozzi; Erasmus University Rotterdam
   Yvonne Adema; Erasmus University Rotterdam

16:30 - 18:00   **SESSION 23: MULTIVARIATE MODELING** (ROOM 1E)
Chair: Philip Bertram (University of Hanover)

Testing Non-linearity in Multivariate Time Series
   Marian Vavra; NBS

Inference for Impulse Response Functions From Multivariate Strongly Persistent Processes
   Richard Baillie; Michigan State University
   George Kapetanios; Queen Mary, University of London

Testing the Constancy of Conditional Correlations in Multivariate GARCH-Type Models
   Bilel Sanhaji; Aix-Marseille University -- Aix-Marseille School of Economics
   Anne Péguin-Feissolle

16:30 - 18:00   **SESSION 24: LEARNING** (ROOM 1F)
Chair: Kevin Lansing (Federal Reserve Bank of San Francisco and Norges Bank)

On the Plausibility of Adaptive Learning in Macroeconomics: A Puzzling Conflict in the Choice of the Representative Algorithm
Jaqueson Galimberti; The University of Manchester
Michele Berardi; The University of Manchester

E-stability That Does Imply Learnability
Dmitri Kolyuzhnov; Charles University-Academy of Sciences
Anna Bogomolova; CERGE-EI

Adaptive Learning and Survey Data
Agnieszka Markiewicz; Erasmus University Rotterdam
Andreas Pick; Erasmus School of Economics (ESE)

16:30 - 18:00   **SESSION 25: MACRO-FINANCE LINKAGES** (ROOM 1D)
Chair: Tara Sinclair (George Washington University)

Economic Volatility and Financial Markets: The Case of Mortgage-Backed Securities
Gaetano Antinolfi; Washington University and Federal Reserve Board
Celso Brunetti; Federal Reserve Board

Does the Central Bank, in Reacting to Macroeconomic Indicators, Influence the Term Structure of Interest Rates When Faced with a Binding Constraint at the Zero Lower Bound?
Laura Jackson; UNC Chapel Hill

Forecasting with DSGE Models with Financial Frictions
Marcin Kolasa; National Bank of Poland
Michal Rubaszek; National Bank of Poland

18:30   **DEPARTURE** (from conference venue (U6, Viale Piero e Alberto Pirelli exit) to Gala Dinner at Museo della Scienza e della Tecnologia)

19:00 – 22:30   **GALA DINNER (**Museo della Scienza e della Tecnologia)
Relation on SNDE 2013-2014 activities
SNDE President Prof. James Morley-University of New South Wales

22:30   Departure from Museo della Scienza e della Tecnologia to U6 and conference hotels

FRIDAY, MARCH 29

07:45 – 09:00   **REGISTRATION AND BREAKFAST** (BUILDING U6)

09:00 - 10:30   **SESSION 26: FORECASTING II** (ROOM 1A)
Chair: Michael McCracken (Federal Reserve Bank of St. Louis)

Parameter Estimation with Out-of-Sample Objective
Elena-Ivona Dumitrescu; European University Institute
Peter Hansen; European University Institute

Bayesian Model Averaging and Forecasting with the Self-Perturbed Kalman Filter
Paolo de Magistris; CREATES - University of Aarhus
Stefano Grassi; Aarhus University
Nima Nonejad; CREATES - Aarhus University

Forecasting with Many Models: Model Confidence Sets and Forecast Combination
Rodrigo Sekkel; Bank of Canada
Jon Samuels; Johns Hopkins University

09:00 - 10:30   **SESSION 27: FINANCIAL ECONOMETRICS I** (ROOM 1B)
Chair: Jun Ma (University of Alabama)

Modelling Changes in the Unconditional Variance of Long Stock Return Series
Timo Teräsvirta; Aarhus University

On the Macroeconomic Determinants of Long-Term Volatilities and Correlations in U.S. Crude Oil and Stock Markets
Karin Loch; University of Heidelberg
Christian Conrad; University of Heidelberg
Daniel Rittler; University of Heidelberg

Spatial GARCH: A Spatial Approach to Multivariate Volatility Modelling
Svetlana Borovkova; Vrije Universiteit Amsterdam

09:00 - 10:30   **SESSION 28: OIL PRICE SHOCKS** (ROOM 1C)
Chair: Francesco Furlanetto (Norges Bank)

The Effects of Oil Price Uncertainty on the Macroeconomy
Soojin Jo; Bank of Canada

The Oil Price-Real Output Relationship: Does Persistence Matter?
Richard Ashley; Virginia Tech
Kwok Ping Tsang; Virginia Tech

Inflation Dynamics and The Role of Oil Shocks: How Different Were the 1970s?
Benjamin Wong; Australian National University

09:00 - 10:30   **SESSION 29: STRUCTURAL BREAKS** (ROOM 1E)
Chair: Hans-Martin Krolzig (The University of Kent)

A Test of Structural Change of Unknown Location with Wavelets
M. Ege Yazgan; Istanbul Bilgi University
Ramo Gencay; Simon Fraser University
Harun Ozkan; Istanbul Bilgi University

Regime-Switching Cointegration
Markus Jochmann; Newcastle University
Gary Koop; University of Strathclyde

The Lasso for High-Dimensional Regression with a Possible Change-Point
Myung Hwan Seo; London School of Economics

09:00 - 10:30   **SESSION 30: FINANCIAL FRICTIONS I** (ROOM 1F)
Chair: Riccardo DiCecio (Federal Reserve Bank of St. Louis)

Occasionally Binding Credit Constraints
Krzysztof Makarski; National Bank of Poland
Michal Brzoza-Brzezina; National Bank of Poland
Marcin Kolasa; National Bank of Poland

Coordinating Monetary and Macro-Prudential Policies
Alessandro Rebucci; Inter-American Development Bank
Ambrogio Cesa-Bianchi; Universita Cattolica del Sacro Cuore

Risk Channel of Monetary Policy
Oliver de Groot; Federal Reserve Board

09:00 - 10:30   **SESSION 31: PURCHASING POWER PARITY AND INTEREST RATE PARITY** (ROOM 1D)
Chair: Claude Lopez (Banque de France)

Dynamic Estimation of Trade Costs from Real Exchange Rates
Efthymios Pavlidis; Lancaster University Management School
Nicos Pavlidis; Lancaster University Management School

On the Empirical Failure of Purchasing Power Parity Tests
Matteo Pelagatti; Università degli Studi di Milano-Bicocca
Emilio Colombo; University Milano-Bicocca

An Event Study Analysis of ECB Unconventional Monetary Policy
Giulia Rivolta; University of Milan

10:30 – 11:00   **COFFEE/TEA**

11:00 - 12:30   **SESSION 32: OIL PRICES AND FINANCIAL MARKETS** (ROOM 1A)
Chair: Michael Owyang (Federal Reserve Bank of St. Louis)

Oil Price Density Forecasts: Exploring the Linkages with Stock Markets
  Marco Lombardi; Bank for International Settlements
  Francesco Ravazzolo; Norges Bank

Risk Premia in Crude Oil Futures Prices
  Jing Cynthia Wu; University of Chicago

Can Oil Prices Forecast Exchange Rates?
  Barbara Rossi; ICREA-UPF and BGSE
  Domenico Ferraro; Duke University
  Kenneth Rogoff; Harvard University

11:00 - 12:30   **SESSION 33: FINANCIAL ECONOMETRICS II** (ROOM 1B)
Chair: Michael Rockinger (HEC Lausanne)

Early Warning Signals for Critical Transitions in Finance
  Juanxi Wang; University of Amsterdam
  Cees Diks; University of Amsterdam

The Time-Varying Leading Properties of the High Yield Spread in the United States
  Pierangelo De Pace; Pomona College
  Kyle Weber; Pomona College

11:00 - 12:30   **SESSION 34: MACROECONOMETRICS I** (ROOM 1C)
Chair: Pao-Lin Tien (Wesleyan University)

Cycles, Syllogisms and Semantics: Examining the Idea of Spurious Cycles
  David Pollock; University of Leicester

Seventy Five Years Later: Constructing a Coincident Index of Global Economic Activity
  Shushanik Papanyan; University of North Texas
  Enrique Martinez-Garcia; Federal Reserve Bank of Dallas

To What Extent Can We Identify and Time Gradual Change?
  Luiggi Donayre; University of Minnesota Duluth
  Neil Wilmot; University of Minnesota Duluth

11:00 - 12:30   **SESSION 35: SKEWNESS** (ROOM 1E)
Chair: Lorenzo Pozzi (Erasmus University Rotterdam)

Regime Switching Skew-normal Model for Measuring Financial Crises and Contagion
  Yu-Ling Hsiao; ANU

11:00 - 12:30   **SESSION 35: SKEWNESS** (ROOM 1E) CONTINUED
Chair: Lorenzo Pozzi (Erasmus University Rotterdam)

Currency Returns, Skewness and Crash Risk
  Barry Rafferty; University of Melbourne

Capturing Skewness and Kurtosis by Fitting the QQ-Plot: A Simple Approach with an Application to Option Pricing
  Antoni Vaello-Sebastià; University of Illes Balears
  Unai Ansejo; Itzarri
  Aitor Bergara; University of the Basque Country

11:00 - 12:30   **SESSION 36: FINANCIAL FRICTIONS II** (ROOM 1F)
Chair: Oliver de Groot (Federal Reserve Board)

Uncertainty in a Model with Credit Frictions
  Ambrogio Cesa-Bianchi; Inter-American Development Bank & Universita Cattolica del Sacro Cuore
  Emilio Fernandez-Corugedo; Bank of England

Business Cycle Effects of Credit Shocks in a DSGE Model with Firm Defaults
  TengTeng Xu; Bank of Canada
  Professor M. Hashem Pesaran; University of Southern California

Monetary Policy with Consumption Externalities and Limited Asset Market Participation
  Luca Bossi; University of Pennsylvania

12:30 – 14:00   **LUNCH**

14:00 - 15:30   **SESSION 38: OIL PRICES AND THE MACROECONOMY** (ROOM 1A)
Chair: Barbara Rossi (ICREA-UPF and BGSE)

What Central Bankers Need to Know About Forecasting Oil Prices
  Christiane Baumeister; Bank of Canada
  Lutz Kilian; University of Michigan

Business Cycles in Commodity Exporter Countries
  Francesco Furlanetto; Norges Bank

14:00 - 15:30   **SESSION 39: FINANCIAL ECONOMETRICS III** (ROOM 1B)
Chair: Xiaoyu Shen (VU University Amsterdam)

Moment Component Analysis: An Illustration with International Stock Markets
  Michael Rockinger; HEC Lausanne

Exact Likelihood Inference for Autoregressive Gamma Stochastic Volatility Models
  Drew Creal; University of Chicago

Estimation and Inference in Univariate and Multivariate Log-GARCH-X Models When the Conditional Density is Unknown
  Genaro Sucarrat; BI Norwegian Business School

14:00 - 15:30   **SESSION 40: MACROECONOMETRICS II** (ROOM 1C)
Chair: Ming Lo (St. Cloud State University)

Trends and Cycles in U.S. Output and Unemployment
  Tara Sinclair; George Washington University
  Amy Guisinger; George Washington University

The Asymmetric Effects of Fiscal Cuts and Expansions Across the Business Cycle
  Irina Panovska; Washington University in St. Louis
  Steven Fazzari; Washington University in St. Louis
  James Morley; University of New South Wales

Did the Financial Crisis Cause a Regime Shift in Euro Area Government Bond Risk Pricing ?
  Barbara Sadaba; Erasmus University - Tinbergen Institute
  Lorenzo Pozzi; Erasmus University Rotterdam

14:00 - 15:30   **SESSION 41: MACROECONOMICS AND GROWTH** (ROOM 1F)
Chair: Alexandre Dmitriev (University of Tasmania)

Nonhomothetic Preferences with Habit Formation in Nondurable and Durable Consumption: Implications for Sectoral Comovement
  Engin Volkan; Istanbul Bilgi University
  Kevin X.D. Huang; Vanderbilt University
  M. Ege Yazgan; Istanbul Bilgi University

Firm Dynamics, Endogenous Markups and the Labor Share of Income
  Andrea Colciago; Dutch National Bank and University of Milano Bicocca
  Lorenza Rossi; University of Pavia

Neoclassical, Semi-Endogenous or Endogenous Growth Theory? Evidence Based on New Structural Change Tests
  Nuno Sobreira; Insper Institute of Education and Research
  Luis Nunes; Nova School of Business and Economics
  Paulo Rodrigues; Economics and Research Department

15:30 – 16:00 **COFFEE/TEA**

16:00 - 17:30 **SESSION 42: CRAIG HIEMSTRA MEMORIAL LECTURE** (ROOM U6- 4)

Deciding between Alternative Approaches in Macroeconomics
Prof. Sir D.F. Hendry
University of Oxford

18:00 **ADJOURN**