



**TWENTY-SECOND ANNUAL SYMPOSIUM  
OF  
THE SOCIETY FOR NONLINEAR DYNAMICS AND ECONOMETRICS  
APRIL 17 – APRIL 18, 2014**

**BARUCH COLLEGE – CITY UNIVERSITY OF NEW YORK (CUNY)  
NEW YORK, NEW YORK USA**

**SPONSORED BY:**

**SOCIETY FOR NONLINEAR DYNAMICS AND ECONOMETRICS  
INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS  
WEISSMAN CENTER FOR INTERNATIONAL BUSINESS, BARUCH COLLEGE  
WASSERMAN DEPARTMENT OF ECONOMICS AND FINANCE, BARUCH COLLEGE  
ZICKLIN SCHOOL OF BUSINESS, BARUCH COLLEGE**

**THURSDAY, APRIL 17**

07:30 – 08:30     **REGISTRATION AND BREAKFAST** (NEWMAN CONFERENCE CENTER, LOCATED ON THE 14TH FLOOR OF THE VERTICAL CAMPUS AT BARUCH COLLEGE)

8:30 – 10:10     **SESSION 1: FINANCE I** (ROOM 14-266)  
Chair: Emre Yoldas, Federal Reserve Board

Time Variation in Asset Return Dependence: Strength or Structure?

*Eric Kole*, Erasmus University Rotterdam

*Thijs Markwat*

*Dick van Dijk*, Erasmus University Rotterdam

Asset Pricing, Local Information Aggregation and Network Formation

*Mikhail Anufriev*, University of Technology, Sydney

*Valentyn Panchenko*, University of New South Wales

Higher-Order Moments in the Theory of Diversification and Portfolio Composition

*Trino-Manuel Níguez*, University of Westminster

*Ivan Paya*, Lancaster University Management School

*David Peel*, Lancaster University Management School

*Javier Perote*, University of Salamanca

Intraday Price Discovery in Fragmented Markets

*Sait Ozturk*, Erasmus University Rotterdam

*Michel van der Wel*, Erasmus University Rotterdam

*Dick van Dijk*, Erasmus University Rotterdam

8:30 – 10:10     **SESSION 2: TRENDS AND CYCLES** (ROOM 14-290)  
Chair: Tara Sinclair, The George Washington University

Trends and Cycles in the U.S. Labor Market

*Amy Guisinger*, The George Washington University

*Tara Sinclair*, The George Washington University

Business Cycles Across Space and Time

*Neville Francis*, University of North Carolina at Chapel Hill

*Michael Owyang*, Federal Reserve Bank of St Louis

*Daniel Soques*, University of North Carolina at Chapel Hill

Structural VARs, Deterministic and Stochastic Trends: Does Detrending Matter?

*Varang Wiriyawit*, Australian National University

*Benjamin Wong*, Reserve Bank of New Zealand

Extended Yule-Walker Identification of VARMA Models with Single- or Mixed-Frequency Data

*Peter Zadrozny*, Bureau of Labor Studies

8:30 – 10:10 **SESSION 3: ENERGY ECONOMICS I – SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY (ROOM 14-270)**

Chair: Bruce Mizrach, Rutgers University

Are Product Spreads Useful for Forecasting? An Empirical Evaluation of the Verleger Hypothesis

*Christiane Baumeister*, Bank of Canada  
*Lutz Kilian*, University of Michigan  
*Xiaoqing Zhou*, University of Michigan

Has Asian Emerging Market Monetary Policy Been Too Pro-Cyclical When Responding to Swings in Commodity Prices?

*Andrew Filardo*, Bank for International Settlements  
*Marco Lombardi*, Bank for International Settlements

Regime-Switching Lévy Jump Modelling for Financial and Commodity Markets

*Julien Chevallier*, University of Paris 8  
*Stephane Goutte*, CNRS

Oil-Price Density Forecasts of U.S. GDP

*Francesco Ravazzolo*, Norges Bank  
*Philip Rothman*, East Carolina University

8:30 – 10:10 **SESSION 4: MACRO THEORY I (ROOM 14-280)**

Chair: Kevin Lansing, Federal Reserve Bank of San Francisco

Sectoral Composition of Government Spending and Macroeconomic (In)stability

*Juin-jen Chang*, Academia Sinica  
*Jang-Ting Guo*, University of California, Riverside  
*Jhy-yuan Shieh*, Soochow University  
*Wei-neng Wang*, Feng Chia University

The Shadow of a Doubt: the Dynamic Impact of Expectational Uncertainty

*Guillaume Chevillon*, ESSEC Business School & CREST\_INSEE, Paris  
*Sophocles Mavroeidis*, Oxford University

Lumpy Investment in Sticky Information General Equilibrium

*Fabio Verona*, Bank of Finland

Model Uncertainty and Exchange Rate Forecasting

*Agnieszka Markiewicz*, Erasmus University Rotterdam

8:30 – 10:10 **SESSION 5: FORECASTING METHODS (ROOM 14-285)**

Chair: Peter Fuleky, University of Hawaii

Robust Forecasting via Regularization

*Dobrislav Dobrev*, Federal Reserve Board of Governors  
*Ernst Schaumburg*, Federal Reserve Bank of New York

8:30 – 10:10     **SESSION 5: FORECASTING METHODS (ROOM 14-285) CONTINUED**

Machine Learning and Forecast Combination in Incomplete Panels

Kajal Lahiri, University at Albany, SUNY  
Huaming Peng, University at Albany, SUNY  
Yongchen Zhao, University of Albany, SUNY

Adaptive Models and Heavy Tails

Daive Delle Monache, Queen Mary University of London  
Ivan Petrella, Birkbeck College, University of London

Probability Forecasting for Inflation Warnings from the Federal Reserve

Anthony Garratt, University of Warwick  
James Mitchell, University of Warwick  
Shaun Vahey, Warwick University

10:10 – 10:30     **COFFEE/TEA (ROOM 14-220)**

10:30 – 12:10     **SESSION 6: APPLIED TIME SERIES (ROOM 14-285)**

Chair: Jun Ma, University of Alabama

Assessing the Importance of Learning in an Empirical Monetary Model for the US

*Eleonora Granziera*, Bank of Canada

Output Growth and Commodity Prices in Latin America: What Has Changed?

*Sebastian Fossati*, University of Alberta

Testing for Factor Loading Structural Change Under Common Breaks

*Yohei Yamamoto*, Hitotsubashi University

Outliers and Persistence in Threshold Autoregressive Processes: A Puzzle?

Yamin Ahmad, University of Wisconsin - Whitewater  
*Luigi Donayre*, University of Minnesota – Duluth

10:30- 12:10     **SESSION 7: FINANCE II (ROOM 14-266)**

Chair: Valentyn Panchenko, University of New South Wales

Bank Characteristics and the Interbank Money Market: A Distributional Approach

Giulia Iori, City University  
Burcu Kapar, City University London  
*Jose Olmo*, University of Southampton

The Dynamics of International Financial Market Integration: Estimates for European Countries

Gerdie Everaert, Ghent University  
*Lorenzo Pozzi*, Erasmus University Rotterdam

10:30- 12:10     **SESSION 7: FINANCE II (ROOM 14-266) CONTINUED**

The Pricing of G7 Sovereign Bond Spreads – The Times, They are A-Changin  
Antonello d'Agostino, European Central Bank  
*Michael Ehrmann*, Bank of Canada

Time-varying Risk in Bank Earnings and Macroeconomic Implications  
Francisco Covas, Federal Reserve Board  
*Emre Yoldas*, Federal Reserve Board  
Egon Zakrajsek, Federal Reserve Board

10:30 – 12:10     **SESSION 8: MONETARY POLICY I (ROOM 14-290)**  
Chair: Michael Owyang, Federal Reserve Bank of St. Louis

Macroeconomic News, Monetary Policy and the Real Interest Rate at the Zero Lower Bound  
*Ji Zhang*, Tsinghua University

Measuring the Macroeconomic Impact of Monetary Policy at the Zero Lower Bound  
Jing Cynthia Wu, University of Chicago  
*Fan Dora Xia*, University of California, San Diego

The Transmission of Euro Area Monetary Policy: Evidence from a Mixed Cross-Section Global VAR Model  
*Georgios Georgiadis*, European Central Bank

How Optimal is US Monetary Policy?  
*Xiaoshan Chen*, University of Stirling  
Tatiana Kirsanova, University of Glasgow  
Campbell Leith, University of Glasgow

10:30 – 12:10     **SESSION 9: ENERGY ECONOMICS II – SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY (ROOM 14-270)**  
Chair: Philip Rothman, East Carolina University

Location Basis Differentials in Crude Oil Prices  
Yang Li, Rutgers University  
*Bruce Mizrach*, Rutgers University  
Yoichi Otsubo, University of Luxembourg

Forecasting the Brent Oil Price: Addressing Time-variation in Forecast Performance  
*Cristiana Manescu*, European Central Bank  
Ine Van Robays, European Central Bank

Oil Price Forecasting: The Long (and the Short) of It  
Jean-Thomas Bernard, University of Ottawa  
Lynda Khalaf, Carleton University  
*Maral Kichian*, University of Ottawa  
Clement Yelou, Statistics Canada

- 10:30 – 12:10 **SESSION 9: ENERGY ECONOMICS II – SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY (ROOM 14-270) CONTINUED**
- Time Varying SVARs, Parameter Histories, and the Changing Impact of Oil Prices on the US Economy  
*Francesca Rondina, University of Ottawa*
- 10:30 – 12:10 **SESSION 10: NEW KEYNESIAN MODELS (ROOM 14-280)**  
 Chair: Jacek Suda, Banque de France - Paris School of Economics
- Asset Prices, Business Cycles, and Markov-Perfect Fiscal Policy when Agents are Risk-Sensitive  
*Richard Dennis, University of Glasgow*
- Monetary Policy Trade-offs and Financial Frictions  
 Francesco Furlanetto, Norges Bank  
*Paolo Gelain, Norges Bank and Centre for International*
- Large Scale Asset Purchases with Segmented Mortgage and Corporate Loan Markets  
*Frédéric Dufourt, Aix-Marseille University*
- The Zero Lower Bound and Parameter Bias in an Estimated DSGE Model  
*Yasuo Hirose, Keio University*  
*Atsushi Inoue, Southern Methodist University*
- 12:10 – 13:30 **LUNCH (ROOM 14-220)**
- 13:30 – 14:40 **SESSION 11: PLENARY SESSION (ROOM 14-220)**  
 Chair: James Morley, University of New South Wales
- News and Uncertainty  
*Serena Ng, Columbia University*
- 14:40 – 15:00 **COFFEE/TEA**
- 15:00 – 16:40 **SESSION 12: EXCHANGE RATES I - RASTANEWS SPECIAL SESSION (ROOM 14-266)**  
 Chair: Claudio Morana, University of Milano-Bicocca
- Do Exchange Rates Really Help Forecasting Commodity Prices?  
 Lasse Bork, Aalborg University  
*Pablo Rovira Kaltwasser, Katholieke Universiteit Leuven*  
 Piet Sercu, KU Leuven
- Time Variation in the Standard Forward Premium Regression: Some New Models and Tests  
*Dooyeon Cho, Kookmin University*  
 Richard Baillie, Michigan State University

15:00 – 16:40 **SESSION 12: EXCHANGE RATES I - RASTANEWS SPECIAL SESSION (ROOM 14-266)**  
*CONTINUED*

Local Deviations from Uncovered Interest Parity: Kernel Smoothing Functions and the Role of Fundamentals

*Richard Baillie*, Michigan State University

Asymmetric Pass-Through Behavior over the Business Cycle

Luigi Donayre, University of Minnesota – Duluth

*Irina Panovska*, Lehigh University

15:00 – 16:40 **SESSION 13: MODELING MACROECONOMIC UNCERTAINTY (ROOM 14-269)**  
Chair: Christian Conrad, Heidelberg University

Measuring Uncertainty of a Combined Forecast and a New Test for Forecaster Homogeneity

*Kajal Lahiri*, University of Labany, SUNY

Huaming Peng, University at Albany:SUNY

Xuguang Sheng, American University

Combination of “Combinations of P-values” with Applications to Testing Purchasing Power Parity and Imperfect Information Models

Lan Cheng, SUNY Fredonia

*Xuguang Sheng*, American University

Global Inflation and Output Uncertainty

*Bernd Kempa*, University of Muenster

Tino Berger; University of Cologne

Cross Sectional Evidence on the Relation Between Monetary Policy, Macroeconomic Conditions and Low-frequency Inflation Uncertainty

Christian Conrad, University of Heidelberg

*Matthias Hartmann*, University of Heidelberg

15:00 – 16:40 **SESSION 14: FORECASTING WITH MIXED FREQUENCY DATA (ROOM 14-270)**  
Chair: Francesco Ravazzolo, Norges Bank

Do High-Frequency Financial Data Help Forecast Oil Prices? The MIDAS Touch at Work

Christiane Baumeister, Bank of Canada

*Pierre Guerin*, Bank of Canada

Lutz Kilian, University of Michigan

Real-Time Forecasting with a Large, Mixed Frequency, Bayesian VAR

Michael McCracken, Federal Reserve Bank of St Louis

Michael Owyang, Federal Reserve Bank of St Louis

*Tatevik Sekhposyan*, Bank of Canada

15:00 – 16:40 **SESSION 14: FORECASTING WITH MIXED FREQUENCY DATA (ROOM 14-270)**  
*CONTINUED*

Density Forecasts with MIDAS Models

*Knut Are Aastveit*, Norges Bank

*Claudia Foroni*, Norges Bank

*Francesco Ravazzolo*, Norges Bank

Realized Volatility and Business Cycle Fluctuations: A Mixed-Frequency VAR Approach

*Alain Hecq*, Maastricht University

15:00 - 16:40 **SESSION 15: MACRO THEORY (ROOM 14-280)**  
Chair: Carl Chiarella, University of Technology Sydney

House Price Dynamics with Long-term Mortgage Debt

*Paolo Gelain*, Norges Bank

*Kevin Lansing*, Federal Reserve Bank of San Francisco

*Mathis Mælum*, Princeton University and Norges Bank

*Gisle Natvik*, Norges Bank

Endogenous Stock Price Cycles with Dynamic Self-Control Preferences

*Marco Airaud*, Drexel University

Asset Prices, Monetary Policy and Determinacy

*Aarti Singh*, University of Sydney

*Sophie Stone*, University of Sydney

*Jacek Suda*, Banque de France - Paris School of Economics

Booms and Busts in House Prices under Heterogeneous Expectations

*Wilko Bolt*, De Nederlandsche Bank N.V.

*Maria Demertzis*, De Nederlandsche Bank

*Cees Diks*, University of Amsterdam

*Cars Hommes*, University of Amsterdam

*Marco van der Leij*, University of Amsterdam

15:00 - 16:40 **SESSION 16: NONLINEAR TIME SERIES I – SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY (ROOM 14-285)**

Chair: Marco Gallegati, Polytechnic University of Marche

Making Leading Indicators More Leading: A "Wavelet-based" Method for the Construction of CLI

*Marco Gallegati*, Università Politecnica delle Marche

*Mauro Gallegati*, Polytechnic University of Marche

Measuring the Impact Intradaily Events Have on the Persistent Nature of Volatility

*Mark Jensen*, Federal Reserve Bank of Atlanta



15:00 - 16:40     **SESSION 16: NONLINEAR TIME SERIES I – SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY (ROOM 14-285) CONTINUED**

Nonlinearity and Time-varying Dependence in Money Markets

Selva Demiralp, Koc University  
Bernd Schlusche, Federal Reserve Board  
Zeynep Senyuz, Federal Reserve Board  
Emre Yoldas, Federal Reserve Board

A Comovement Test for State-Dependent Stock Returns

*Kaihua Deng*, University of Washington

16:40 – 17:00     **COFFEE/TEA (ROOM 14-220)**

17:00 – 18:15     **SESSION 17: INTEREST RATES (ROOM 14-290)**

Chair: Lorenzo Pozzi, Erasmus University Rotterdam

Forecasting the Term Structure of Interest Rates with Potentially Misspecified Models

*Yunjong Eo*, University of Sydney  
Kyu Ho Kang, Korea University

Changes in Persistence, Spurious Regressions and the Fisher Hypothesis

Robinson Kruse, Leibniz University Hannover  
Antonio Noriega, Banco de México  
*Daniel Ventosa-Santaulària*, Centro de Investigación y Docencia Econ

A Dynamic Nelson-Siegel Yield Curve Model with Markov Switching

*Jared Levant*, University of Alabama  
Jun Ma, The University of Alabama

17:00 – 18:15     **SESSION 18: FINANCIAL VARIABLES AND MACROECONOMIC FORECASTING (ROOM 14-270)**

Chair: Ivan Paya, Lancaster University Management School

Dynamic Prediction Pools: An Investigation of Financial Frictions and Forecasting Performance

*Marco Del Negro*, Federal Reserve Bank of New York  
Raiden Hasegawa, Federal Reserve Bank of New York  
Frank Schorfheide, University of Pennsylvania

Balance Sheets of Financial Intermediaries: Do They Forecast Economic Activity?

*Rodrigo Sekkel*, Bank of Canada

Bond Market and Macroeconomic News

*Michele Modugno*, Federal Reserve Board

17:00 – 18:15    **SESSION 19: APPLIED TIME SERIES II** (ROOM 14-280)  
Chair: Zeynep Senyuz, Federal Reserve Board

Dynamic Synchronization of Cycles: A Markov-Switching Network Approach  
*Danilo Leiva-Leon*, Bank of Canada

How Did the Financial Crisis Alter the Correlations of U.S. Yield Spreads?  
Silvio Contessi, Federal Reserve Bank of St. Louis  
*Pierangelo De Pace*, Pomona College  
Massimo Guidolin, Bocconi University

Understanding the Accumulation of Bank and Thrift Reserves During the U.S. Financial Crisis  
Su-Hsin Chang, Washington University in St. Louis  
*Silvio Contessi*, Federal Reserve Bank of St. Louis  
Johanna Francis, Fordham University

17:00 – 18:15    **SESSION 20: NONLINEAR TIME SERIES II - SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY** (ROOM 14-285)  
Chair: M. Ege Yazgan, Istanbul Bilgi University

A Non-linear Forecast Combination Method with Dynamic Misspecification: A Bayesian Approach  
Kajal Lahiri, University at Albany: SUNY  
*Yang Liu*, University at Albany: SUNY

Testing for Nonlinear GARCH models  
*Thomas Chuffart*, Aix-Marseille University  
Emmanuel FLACHAIRE; Aix Marseille University  
Anne Péguin-Feissolle; Aix-Marseille University

Improving Model Performance with Wavelet Decomposition for High-Frequency Financial Data  
*Edward Sun*, KEDGE Business School, France

18:30 – 20:30    **GALA DINNER** (ROOM 14-220)

**FRIDAY, APRIL 18**

07:45 – 08:30 **REGISTRATION AND BREAKFAST** (NEWMAN CONFERENCE CENTER, LOCATED ON THE 14TH FLOOR OF THE VERTICAL CAMPUS AT BARUCH COLLEGE)

08:30 – 10:10 **SESSION 21: EXCHANGE RATES II** (ROOM 14-269)

Chair: Etsuro Shioji, Hitotsubashi University

Nonlinearities in the Real Exchange Rates: New Evidence

Yamin Ahmad, University of Wisconsin - Whitewater

Ming Lo, St. Cloud State University

*Olena Mykhaylova*, University of Richmond

FX Options and Excess Returns: A Multi Moment Term Structure of Exchange Rate Dynamics

Yu-chin Chen, University of Washington

*Ranganai Gwati*, University of Washington

Noisy News and Exchange Rate Bubbles: A SVAR Approach

*Chris Redl*, Queen Mary, University of London

What Makes a Commodity Currency?

Yu-chin Chen, University of Washington

*Dongwon Lee*, University of California, Riverside

08:30 – 10:10 **SESSION 22: FINANCE III – SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY** (ROOM 14-266)

Chair: Junsoo Lee, University of Alabama

Exploring Nonlinearities in Financial Systemic Risk

*Marcin Wolski*, University of Amsterdam

"Fear and Loathing in the Housing Market: Evidence from Search Query Data"

*Marcelle Chauvet*, University of California, Riverside

Chandler Lutz, Copenhagen Business School

Stuart Gabriel, UCLA Anderson School of Management

Interpreting Financial Market Crashes as Earth Quakes: A New Early Warning System for Medium-term Crashes

*Francine Gresnight*, Erasmus University Rotterdam

Modelling the "Animal Spirits" of Bank's Lending Behaviour

*Carl Chiarella*, University of Technology Sydney

Corrado Di Guilmi

Tianhao Zhi, University of Technology, Sydney

08:30 – 10:10 **SESSION 23: OUTPUT GAP, UNEMPLOYMENT, AND OKUN'S LAW (ROOM 14-290)**  
Chair: Hauke Vierke, University of Muenster

On the Reliability of Output-Gap Estimates in Realtime  
*Elmar Mertens*, Federal Reserve Board

A State-Level Analysis of Okun's Law  
Amy Guisinger, The George Washington University  
Ruben Hernandez-Murillo, Federal Reserve Bank of St. Louis  
Michael Owyang, Federal Reserve Bank of St Louis  
*Tara Sinclair*, The George Washington University

Asymmetric Labor Force Dynamics, Friedman's Plucking Model, and Jobless Recoveries  
Michael Bradley, George Washington University  
*Dennis Jansen*, Texas A&M University

08:30 – 10:10 **SESSION 24: CASE STUDIES IN FORECASTING (ROOM 14-270)**  
Chair: Yunjong Eo, University of Sydney

Probability and Severity of Recessions  
Rachidi Kotchoni, ThEMA  
*Dalibor Stevanovic*, Université du Québec à Montréal

The Real Advantage of the Inflation Gap for Forecasting U.S. Inflation  
*Christopher Gibbs*, University of New South Wales

Forecasting Output and Inflation with Global Components  
Hilde Bjørnland, BI Norwegian Business School  
*Francesco Ravazzolo*, Norges Bank  
Leif Thorsrud, BI Norwegian Business School

Forecasting Fed Funds Target Changes with Large Datasets  
Travis Berge, Federal Reserve Bank of Kansas City  
*Michael Owyang*, Federal Reserve Bank of St Louis

08:30 – 10:10 **SESSION 25: MACRO THEORY III (ROOM 14-280)**  
Chair: Richard Dennis, University of Glasgow

Trickle-Down Consumption, Monetary Policy and Inequality  
Marco Airaud, Drexel University, LeBow Business School  
*Luca Bossi*, University of Pennsylvania

Research Policy and U.S. Economic Growth  
*Richard M.H. Suen*, University of Connecticut

Efficiency of the Pension Reform: The Welfare Effects of Various Fiscal Closures  
*Krzysztof Makarski*, National Bank of Poland  
Joanna Tyrowicz, National Bank of Poland

08:30 – 10:10 **SESSION 25: MACRO THEORY III (ROOM 14-280) CONTINUED**

Endogenous Growth, Inequality and the Composition of Government Expenditures  
*Constantine Angyridis, Ryerson University*

08:30 – 10:10 **SESSION 26: GRANGER CAUSALITY AND PREDICTIVE ANALYSIS (ROOM 14-285)**  
Chair: Sebastian Fossati, University of Alberta

Credible Granger-Causality Inference with Modest Sample Lengths: A Cross-Sample Validation Approach

*Richard Ashley, Virginia Tech*  
*Kwok Ping Tsang, Virginia Tech*

Granger Causality and Regime Inference in Bayesian Markov-Switching VARs

*Matthieu Droumaguet, European University Institute*  
*Anders Warne, European Central Bank*  
*Tomasz Wozniak, University of Melbourne*

Robust Inference in Smooth Transition Predictive Regressions

*Rehim Kilic, Federal Reserve Bank of Atlanta*

Government Debt and Macroeconomic Activity: A Predictive Analysis for Advanced Economies

*Deniz Baglan, Howard University*  
*Emre Yoldas, Federal Reserve Board*

10:10 – 10:30 **COFFEE/TEA (ROOM 14-220)**

10:30 – 12:10 **SESSION 27: ASSET PRICES AND THE MACROECONOMY (ROOM 14-290)**

Chair: Silvio Contessi, Federal Reserve Bank of St. Louis

Identification of Financial Factors in Economic Fluctuations

*Francesco Furlanetto, Norges Bank*

Macroeconomic Determinants of Time-varying Persistence in the S&P500 Price-dividend Ratio

*Hendrik Kaufmann, Leibniz Universität Hannover*  
*Robinson Kruse, Leibniz University Hannover*

Understanding Housing Market Volatility

*Joseph Fairchild, Bank of America*  
*Jun Ma, The University of Alabama*  
*Shu Wu, University of Kansas*

Financial Sector and Output Dynamics in the Euro Area: Non-linearities Reconsidered

*Frauke Schleer, ZEW Mannheim*  
*Willi Semmler, New School for Social Research*

10:30 – 12:10 **SESSION 28: SOVEREIGN DEBT, PRIVATE CURRENCY, AND SOCIAL ORDER**  
(ROOM 14-266)

Chair: Willi Semmler, New School for Social Research

Macro Factors and Sovereign Bond Spreads: A Quadratic No-arbitrage Model

*Peter Hoerdahl*, Bank for International Settlements

Oreste Tristani, European Central Bank

Limitations to Sovereign Debt Speculation

*Remco Zwinkels*, Erasmus University Rotterdam

The Economics of Private Digital Currency

*Gerald Dwyer*, Clemson University

Cooperation and Competition in the Emergence of a Social Order

AJ Bostian, University of Virginia

*David Goldbaum*, University of Technology Sydney

10:30 – 12:10 **SESSION 29: INFLATION AND MONETARY POLICY** (ROOM 14-269)

Chair: Maral Kichian, University of Ottawa

Perceived Inflation Persistence

*Monica Jain*, Bank of Canada

On the Correlation Between Inflation Persistence and The Implicit Inflation Target

Yamin Ahmad, University of Wisconsin - Whitewater

*Stuart Glosser*, University of Wisconsin at Whitewater

Central Bank Credibility and Reputation: An Historical and Quantitative Exploration

Michael Bordo, Rutgers University

*Pierre Siklos*, Wilfrid Laurier University

Monetary Policy Shocks and the Taylor Rule

Edward Gamber, Lafayette College

Tara Sinclair, George Washington University

*Pao-Lin Tien*, Wesleyan University

10:30 - 12:10 **SESSION 30: ADVANCES IN FORECASTING** (ROOM 14-270)

Chair: Tatevik Sekhposyan, Bank of Canada

Measuring the Slowly Evolving Trend in US Inflation with Professional Forecasts

*James Nason*, North Carolina State University

Gregor Smith, Queen's University

The Effect of FOMC Forecast Disagreement on U.S. Treasuries

*Michael McCracken*, Federal Reserve Bank of St. Louis

How Biased Are U.S. Government Forecasts of the Federal Debt?

*Neil Ericsson*, Federal Reserve Board

- 10:30 - 12:10    **SESSION 30: ADVANCES IN FORECASTING (ROOM 14-270) CONTINUED**
- Macroprudential Policy and Forecasting Using Hybrid DSGE Models with Financial Frictions and State Space Markov-Switching TVP-VARs  
*Stelios Bekiros*, European University Institute (EUI)  
*Alessia Paccagnini*, Bicocca University
- 10:30 - 12:10    **SESSION 31: DSGE MODELS - RASTANEWS SPECIAL SESSION (ROOM 14-280)**  
 Chair: Sarah Zubairy, Texas A&M University
- Forecasting in a DSGE Model with Banking Intermediation: Evidence from US  
*Roberta Cardani*, Università degli Studi Milano-Bicocca  
*Alessia Paccagnini*, Bicocca University  
*Stefania Villa*, University of Foggia and K.U. Leuven
- Fiscal Consolidation and Rule of Thumb Consumers: Gain with or without Pain?  
*Maria Ferrara*, University of Milano-Bicocca  
*Patrizio Tirelli*, University of Milano-Bicocca
- Heterogenous Agents and the Optimal Rate of Inflation  
*Lorenzo Menna*, University of Milano-Bicocca  
*Patrizio Tirelli*, University of Milano-Bicocca
- Estimating a DSGE with Limited Asset Market Participation and Fiscal Policy in the Euro Area  
*Alice Albonic*, University of Pavia  
*Alessia Paccagnini*, Bicocca University  
*Patrizio Tirelli*, University of Milano-Bicocca
- 10:30 - 12:10    **SESSION 32: TIME SERIES I - SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY (ROOM 14-285)**  
 Chair: Richard Baillie, Michigan State University
- Heteroskedasticity Autocorrelation Robust Inference in Time Series Regressions with Missing Data  
*Seunghwa Rho*, Louisiana State University  
*Tim Vogelsang*, Michigan State University
- Oil Prices, World Output and U.S. Grain Prices: A Nonlinear Cointegration Analysis  
*Walter Enders*, University of Alabama  
*Junsoo Lee*, University of Alabama
- Unfolding GARCH models  
*Richard Luger*, Georgia State University
- CCE Estimation of Factor-Augmented Regression Models with More Factors than Observables  
*Hande Karabiyik*, Maastricht University  
*Jean-Pierre Urbain*, Maastricht University  
*Joakim Westerlund*, Deakin University

12:10 – 13:30    **LUNCH (ROOM 14-220)**

13:30 - 15:10    **SESSION 33: APPLIED TIME SERIES III (ROOM 14-269)**

Chair: Benjamin Wong, Reserve Bank of New Zealand

Global Slack as a Determinant of Domestic Inflation Rates: Cross-Country Evidence from an Unobserved Components Model Approach

*Pym Manopimoke*, University of Kansas

Time Varying Pass-through: Will the Yen Depreciation Help Japan Hit the Inflation Target?

*Etsuro Shioji*, Hitotsubashi University

How Much Time-Variation in Fundamental Macroeconomic Relationships? An Unobserved Components Approach with Time-Varying Parameters and Stochastic Volatility

Tino Berger, University of Cologne

Gerdie Everaert, Ghent University

*Hauke Vierke*, University of Muenster

Global Stochastic Trends in Growth, Interest and Inflation. Is the Post-Bretton-Woods Era Driven by the Volcker Disinflation?

*Reinhold Heinlein*, Keele University

Hans-Martin Krolzig, The University of Kent

13:30 - 15:10    **SESSION 34: MACRO-FINANCE INTERFACE AND EARLY WARNING INDICATORS - RASTANEWS SPECIAL SESSION (ROOM 14-266)**

Chair: Rehim Kilic, Federal Reserve Bank of Atlanta

Insights on the Global Macro-finance Interface: Structural Sources of Risk Factors Fluctuations and the Cross-section of Expected Stock Returns

*Claudio Morana*, Università di Milano Bicocca

Wavelet-based Early Warning Composite Indicators: An Application to the US

*Marco Gallegati*, Polytechnic University of Marche

Measuring Persistence in Volatility Spillovers

*Christian Conrad*, University of Heidelberg

Enzo Weber, University of Regensburg

Modelling Returns and Volatilities During Financial Crises: A Time Varying Coefficient Approach

*Menelaos Karanasos*, Brunel University

Michail Karoglou, University of Newcastle

Faek Menla Ali

Alexandros Paraskevopoulos



- 13:30 - 15:10    **SESSION 35: MONETARY POLICY II (ROOM 14-290)**  
Chair: Pao-Lin Tien, Wesleyan University
- Monetary Policy, Macro Factors, and the Term Structure at the Zero Lower Bound  
*Laura Jackson*, University of North Carolina at Chapel Hill
- Monetary Policy Transmission during Financial Crises: An Empirical Analysis  
*Tatjana Dahlhaus*, Bank of Canada
- Corporate Bond Yields in the Transmission Mechanism of Monetary Policy  
Hans-Martin Krolzig, The University of Kent  
*Isaac Sserwanja*, University of Kent
- Credit Spreads, Asset Prices and Monetary Policy  
Marcelle Chauvet, University of California Riverside  
*Venoo Kakar*, San Francisco State University
- 13:30 - 15:10    **SESSION 36: HIGH FREQUENCY DATA AND METHODS (ROOM 14-270)**  
Chair: Mark Jensen, Federal Reserve Bank of Atlanta
- Volatility and Liquidity Costs  
*Selma Chaker*, Bank of Canada
- Forecasting Intraday Volatility Using Limit Order Book Information  
*Magdalena Sokalska*, Queens College
- Downside Variance Risk Premium  
Bruno Feunou, Bank of Canada  
*Mohammad Jahan-Parvar*, Federal Reserve Board  
Cedric Okou, HEC Montreal
- Combining Density Forecasts for Improving Value-at-Risk Estimates  
Anne Opschoor, VU University Amsterdam  
*Dick van Dijk*, Erasmus University Rotterdam  
Michel van der Wel, Erasmus University Rotterdam
- 13:30 - 15:10    **SESSION 37: FISCAL POLICY, INVESTMENT, AND LEVERAGE (ROOM 14-280)**  
Chair: Irina Panovska, Lehigh University
- Estimating Fiscal Multipliers: News from a Nonlinear World  
*Giovanni Caggiano*, University of Padua  
Efrem Castelnuovo, University of Padova  
Valentina Colombo, University of Padova  
Gabriela Nodari, University of Verona
- Government Spending Multipliers in Good Times and in Bad: Evidence from U.S  
Historical Data  
Valerie Ramey, University of California, San Diego  
*Sarah Zubairy*, Texas A&M University

- 13:30 - 15:10    **SESSION 37: FISCAL POLICY, INVESTMENT, AND LEVERAGE (ROOM 14-280)**  
*CONTINUED*
- Heterogeneity in the Dynamic Effects of Uncertainty on Investment  
*Sung Je Byun*, University of California, San Diego  
*Soojin Jo*, Bank of Canada
- Overleveraging and Regime Change in the Banking-Macro Link –  
 Evaluated by a Multi-Regime VAR  
*Willi Semmler*, New School for Social Research  
*Stefan Mittnik*, University of Munich
- 13:30 - 15:10    **SESSION 38: TIME SERIES II - SPECIAL SESSION IN HONOR OF JAMES B. RAMSEY**  
 (ROOM 14-285)  
 Chair: *Cees Diks*, University of Amsterdam
- Quasi-Bayesian Model Selection  
*Atsushi Inoue*, Southern Methodist University  
*Mototsugu Shintani*, Vanderbilt University
- Robust and Powerful Tests for Nonlinear Deterministic Components  
*Sam Astill*, University of Warwick  
*David Harvey*, University of Nottingham  
*Stephen Leybourne*, University of Nottingham  
*Robert Taylor*, University of Essex
- Indirect Inference Based on the Score  
*Peter Fuleky*, University of Hawaii  
*Eric Zivot*, University of Washington
- Persistence in Convergence: Some Further Results  
*Thanasis Stengos*, University of Guelph  
*M. Ege Yazgan*, Istanbul Bilgi University
- 15:10 - 15:30    **COFFEE/TEA (ROOM 14-220)**
- 15:30 – 17:10    **SESSION 39: CRAIG HIEMSTRA MEMORIAL LECTURE (ROOM 14-220)**  
 Chair: *James Morley*, University of New South Wales
- Booms, Busts and Behavioural Heterogeneity in Stock Prices  
*Cars Hommes*, CeNDEF University of Amsterdam
- 17:10            **ADJOURN**