



國立臺灣大學

計量理論與應用研究中心

CENTER FOR RESEARCH IN ECONOMETRIC THEORY AND APPLICATIONS
NATIONAL TAIWAN UNIVERSITY

NEWSLETTER

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● 中心重要訊息 Major Events

- * 榮獲國立臺灣大學「優勢重點領域拔尖計畫」
- * CRETA Workshop on Advanced Econometrics 10
- * CRETA Workshop on Advanced Econometrics 11
- * 2011 年臺灣經濟計量學會年會暨兩岸經濟計量學術研討會
- * CRETA Workshop on Advanced Econometrics 12

2011 年，CRETA 在促進國內學者與國際學者交流方面，共舉辦過 7 次大型的國內研討會，邀請國際知名的經濟計量學者就國際新穎的研究題材做詳盡的介紹。在國內學術交流方面，共舉辦 5 場 WETA 研討會，提供國內學者分享研究成果的交流平台。

本中心 2011 年 8 月獲得臺大為期五年，總金額達 3,000 萬元之「邁向頂尖大學-優勢重點領域拔尖計畫」(以下簡稱拔尖計畫)。拔尖計畫之目標為本校追求學術上之卓越，期待藉由拔尖計畫能對各領域重要研究主題有突破性創新研究，進而鞏固本校學術研究領先地位。CRETA 獲得的拔尖計畫為「風險管理的理論與實證」，主持人為中心主任管中閔教授。此計畫項下共有六個子計畫：

- 作業風險、內部控管與公司治理機制之研究 (主持人：陳聖賢教授與何耕宇教授)
- 系統風險之研究：資本與資產風險分散在風險管理上為互補品或替代品？ (主持人：陳業寧教授)
- 個股選擇權的實證分析研究 (主持人：張森林教授)
- 股票波動與違約機率：一個混合式的風險管理 (主持人：洪茂蔚教授)
- 中央優越與風險管理：計量方法與實證分析 (主持人：管中閔教授與曾郁仁教授)
- 風險與保險公司資本適足性之評估 (主持人：俞明德教授)

CRETA 希望經由此計畫，建立研究團隊在風險管理領域的聲譽。不僅希望將計畫下的研究成果在國內外期刊上發表，也將舉辦相關之專題演講並邀請國內外學者來參加。

在 2012 裡，CRETA 將舉辦更多元化的研討會，讓學術界的朋友有機會接觸到計量相關領域更多的最新研究成果，也將提供講者及會員間互動切磋的機會，希望大家繼續支持 CRETA 所舉辦的學術活動。



CRETA Workshop，每次都吸引逾 60 人參與

CRETA 主辦

2011 年 07 月 14 日 (四)

CRETA Workshop on Advanced Econometrics 10



CRETA Workshop on Advanced Econometrics 10 第一場很榮幸邀請到來自 University of Wisconsin-Madison 的 Prof. Xiaoxia Shi，專題演講主題為 Introduction and Recent Development of Moment Inequality Models。

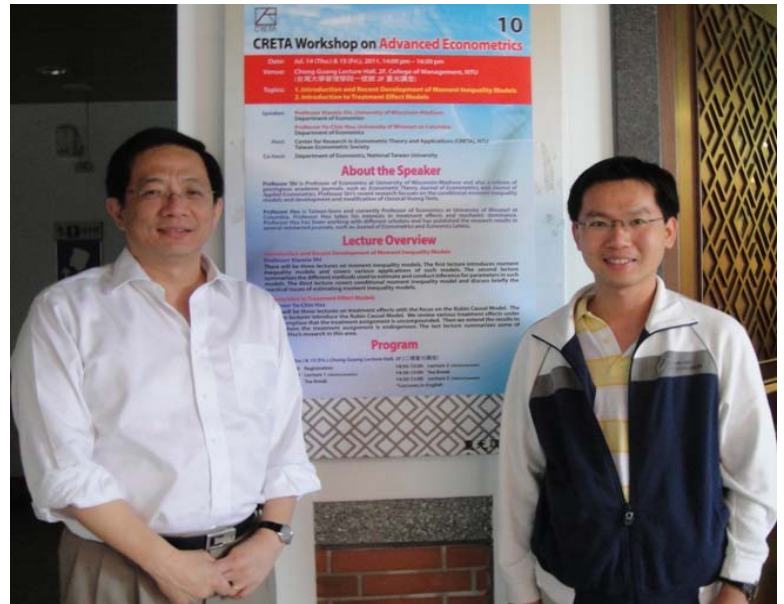
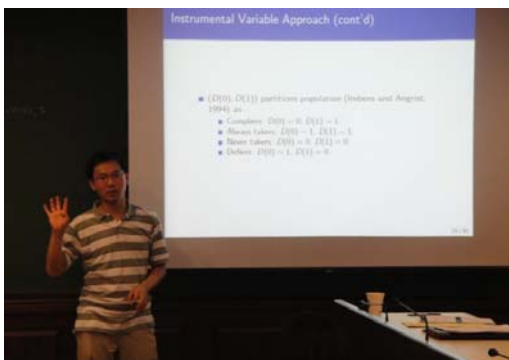
Prof. Shi 在此次演講中介紹 Unconditional Moment Inequality (MI) models 與 Conditional Moment Inequality (CMI) models 的基本模型設定，並針對 MI 模型參數之估計方法加以分析 (GMM-type 與 GEL-type)。Prof. Shi 提出一個工具變數的方法來建構 CMI 的參數估計與檢定，並發現若選擇正確的工具函數便可將 CMI 轉換成 MI。更進一步說明如何將 MI models 應用至個體與總體經濟實例上並提及可能會遇到的問題。

Xiaoxia Shi 教授：

- Assistant Professor at University of Wisconsin-Madison
- Referee for Econometric Theory, Journal of Econometrics, Journal of Applied Econometrics, Quantitative Economics, and Journal of Development Economics.
- Reviewer for NSF

2011 年 7 月 15 日 (五)

CRETA Workshop on Advanced Econometrics 10



CRETA Workshop on Advanced Econometrics 10 第二場
很榮幸邀請到 University of Missouri at Columbia 的 Prof.
Yu-Chin Hsu 進行專題演講。專題演講主題為 Introduction
to Treatment Effect Models。

Prof. Hsu 首先將重點放在 Rubin Causal Model 的介紹，
接著以 Rubin Causal Model 為基礎去設定 Treatment Ef-
fect Model，並介紹 Quantile Treatment Effect Model 的概
念等，更進一步說明其統計性質。除介紹理論模型外，
Prof. Hsu 亦分享他在此領域所研究的一些成果。Prof. Hsu
在此次演講對 Treatment Effect Model 作了非常詳盡的介
紹。

Yu-Chin Hsu 教授：

- Assistant Professor, University of Missouri at Columbia
- Referee for Emerging Markets Finance and Trade, Economic inquiry, Econometric Theory, International Economic Review, Journal of Applied Econometric Reviews, and Journal of Econometric Methods

2011 年 08 月 17 日 (三) 南加大蕭政院士專題演講



台大經濟系邀請 University of Southern California 的蕭政教授來台訪問，CRETA 藉由這個機會也邀請蕭政教授至中心進行專題演講。蕭教授在此次演講中介紹如何衡量變數間並無共整合關係下的相關係數，以半參數變動係數模型進行半參數波動性外溢效果分析，並解釋自變數皆為 $I(1)$ 序列且彼此間無共整合關係下，如何求得相關係數的分析過程。除介紹理論模型外，蕭教授亦利用美國、英國與加拿大的股票市場資料來作市場波動性的實證研究。



2011 年 10 月 28 日 (五)

CRETA Workshop on Advanced Econometrics 11



CRETA Workshop on Advanced Econometrics 11 很榮幸邀請到 University of Cambridge 的 Prof. M. Hashed Pesaran 進行一場關於 Optimal Forecasts in the Presence of Structural Breaks 的專題演講。Prof. Pesaran 是世界上最著名的計量經濟學家之一，研究領域包括 財務計量、長期結構總體經濟分析、橫式資料 VAR 模型分析、全球化 VAR 模型分析等。



此次研討會有近百人共襄盛舉

Prof. Pesaran 是 Journal of Applied Econometrics 的創始者之一，同時也是著名的計量經濟檢驗軟體 Microfit 的發明者之一。Prof. Pesaran 有超過 130 篇的論文刊登在優秀期刊，而這些期刊著眼於經濟計量、實證經濟與伊朗經濟。此外，Prof. Pesaran 曾獲得許多獎項，如：1992 年 Royal Economic Society Prize 所選出的最佳論文獎及 Econometric Reviews Best Paper Award 2002-2004 等。

Prof. Pesaran 受台灣經濟計量學會邀請來台參加 2011 年台灣經濟計量學會年會，藉由這個機會，CRETA 也邀 Prof. Pesaran 至 CRETA 舉辦一場專題演講。Prof. Pesaran 在此次演講中介紹多種方法於考慮連續性與非連續性結構轉變的預測以及應用上的問題，Prof. Pesaran 推得在均方差平方根準則下之最適權重，將它運用至考慮連續性與非連續性結構轉變的預測上。蒙地卡羅實驗及其他實證研究結果皆顯示，最適權重預測相對於其他預測方法，具有卓越的預測能力表現。除呈現卓越的預測能力外，結果也支持結構轉變的資訊是未包含最適權重預測過程。

2011 年 11 月 25 日 (五)

CRETA Workshop on Advanced Econometrics 12



CRETA Workshop on Advanced Econometrics 12 很榮幸再次邀請到 University of Essex 的 Prof. Giorgio Valente 進行專題演講。

Prof. Valente 在此次演講的主題為 Algorithmic Trading (AT) and Financial Markets: Trends and Implications。Prof. Valente 主要介紹在財務市場中利用 AT 下單的交易型態與傳統上所使用技術之差別，此交易型態的特性之一是在極短期間下就有大量的交易。Prof. Valente 更進一步說明 AT 對財務市場上資產價格與市場效率的主要影響，並提出一些初步政策所會帶來的影響。



2011 年臺灣經濟計量學會年會暨兩岸經濟計量學術研討會



臺灣經濟計量學會自 2007 年成立以來，每年年會都吸引了許多學術界與業界的專家學者共襄盛舉。本次於國立政治大學綜合院館所舉辦的「2011 年台灣經濟計量學會年會」暨「兩岸經濟計量學術研討會」是由國立臺灣大學計量理論與應用研究中心 (CRETA)、臺灣經濟計量學會 (TES) 以及國立政治大學經濟學系共同舉辦。此次研討會由國立政治大學經濟學系林馨怡教授與徐士勛教授共同籌劃。



此次研討會吸引經濟與財金等領域的專家學者，共逾百人共襄盛舉

為提供海峽兩岸的專家學者一個學術交流之平台，CRETA、TES 及政大經濟系亦藉此次機會舉辦「兩岸經濟計量學術研討會」，廣邀中國大陸專家學者參與。「2011 年台灣經濟計量學會年會」暨「兩岸經濟計量學術研討會」共有 32 篇論文發表，各方學者就「個體計量理論」、「計量方法」、「總體實證計量」、「數量分析」、「應用個體計量」、「應用財務計量」、「實證經濟」與「博士候選人論文-實證財務」領域發表最新的研究成果。相信本研討會可讓從事經濟計量領域的研究者能在理論與實證上都獲得更多的瞭解與溝通。

本次很榮幸邀請到中央研究院經濟研究所的陳宜廷教授，國立東華大學財務金融學系的林金龍教授，國立臺灣大學經濟學系的陳旭昇教授，上海社會科學院數量經濟研究中心的朱平芳教授，國立臺灣大學財務金融學系的曾郁仁教授和陳聖賢教授，國立臺北大學經濟學系的徐美教授和王健合教授，國立中央大學經濟學系的徐之強教授，華科技大學經濟學系的王少平教授，國立清華大學經濟學系的黃朝熙教授擔任各場發表會的主持人。

2011 年臺灣經濟計量學會年會暨兩岸經濟計量學術研討會

此次年會邀請到 University of Cambridge 的 Prof. M. Hashed Pesaran 在年會大會上發表 China's Emergence in the World Economy and Business Cycles in Latin America 主題演講。也邀請到中國數量經濟學會理事長汪同三教授與上海市數量經濟學會副理事長朱平芳教授在兩岸經濟計量學術研討會上代表致詞。

Prof. Pesaran 於演講中探討隨著國際景氣循環之傳導機制改變，中國大陸、拉丁美洲與其他國家之貿易關聯性。實證模型建立在五大拉丁美洲、主要先進及新興經濟體的 GVAR 模型。結果顯示，自 90 年代中期以來中國 GDP 衝擊對拉丁美洲的長期影響已增加了三倍。除分析為何拉丁美洲在此次經濟危機中仍具有好的表現外，同時也指出一旦未來中國經濟減速成長，將對拉丁美洲及其他經濟體造成危機。



主題演講：Prof. Pesaran

兩岸經濟計量學術研討會共邀請 19 位大陸學者參與此研討會，參與的機構學校來自：上海大學財務金融學系、上海數量經濟學會、上海交通大學安泰經濟與管理學院、上海社會科學院數量經濟研究中心、上海財經大學國際工商管理學院、上海財經大學教育技術中心、上海財經大學經濟學系、山西省社會科學院、中國數量經濟學會、華東政法大學商學院、華南科技大學經濟學系。希冀能藉由此次的交流行程能讓國內學者更了解大陸學者在經濟計量領域的研究，並增加兩岸學者來往互動的機會。



兩岸專家學者合影



汪同三教授(左)與管中閔教授(右)



定期演講-WETA

九月份 Workshop on Econometrics: Theory and Application (WETA) 邀請到中正大學經濟學系的徐吉良教授。徐教授首先介紹測量誤差模型的認定與估計方法，並講解半母數測量誤差模型的認定。接著說明如何將其運用至動態橫式資料模型，也進一步講解無需假設共變量的非線性動態橫式資料模型的認定與估計。



由於十、十一月份舉辦年會與一場 CRETA Workshop，該月份 WETA 暫停一次。十二月份 WETA 邀請到政治大學財務管理學系的岳夢蘭教授。此次研討會岳教授主要講解選擇權是否具有錯價現象，首先介紹指權與各類選擇權報酬率的分析，在 CAPM alphas、各種交易標的物之夏普指數及高平均報酬的基礎下推論選擇權是有錯價現象的。再介紹選擇權報酬是否有過度的相對風險及指權與各類選擇權報酬的各種風險溢酬記錄。



CRETA 協辦

2011 年 10 月 7 日 (五) 與辦一場由台大財金系主辦、CRETA 協辦之學術研討會，此次研討會很榮幸邀請到 Bordeaux Management School 的 Prof. Dr. Edward W. Sun。此次專題演講，Prof. Sun 介紹如何設定 Fractal Processes 的 ARMA-GARCH 模型並運用至財務實證。實證結果有三個優點，第一，可利用多維聯結函數展現一些資產市場連動性的尾部相關性。第二，可捕捉長期相關性與波動叢聚等現象。第三，在高頻率資料下，可納入總體因素和微結構效果對資產報酬的影響，並加以分析。



學者出訪

中心主任管中閔教授受邀參加 -

2011 年 9 月 20 日 ~ 9 月 30 日，萊比錫，德國
Statistische Woche 2011

論文發表：Testing for central dominance: Method and applications

2011 年 10 月 25 日，台灣大學，台大講座演講
專題演講：從經濟計量到政策分析

2011 年 11 月 3 日 ~ 11 月 6 日，北京，中國
International Conference on Economic Policy Simulation and Technology Innovation

邀請演講：Effects of NHI on saving: New evidence from Taiwan

2011 年 11 月 26 日，上海，中國

2011 年數量經濟學前沿國際學術研討會

邀請演講：Constructing smooth tests without estimating the eigen-pairs of the limiting process

2011 年 11 月 30 日，經濟日報大師論壇
專題演講：全球經濟危機下的台灣因應之道

2011 年 12 月 9 日，國科會管理一與管理二學門聯合
成果發表會

主題演講：讓學術研究與政策研究握手

2011 年 12 月 16 日 ~ 12 月 25 日，倫敦，英國
5th CDA International Conference on Computational and Financial Econometrics (CFE'11)

論文發表：Predicting defaults with regime switching intensity: Model and empirical evidence

中心副任何耕宇教授受邀參加 -

2011 年 9 月 23 日，政治大學，財管系、金融系、國貿系博士班演講課

專題演講：The use of financial derivatives by commercial banks: evidence from the European markets

2011 年 11 月 21 日 ~ 11 月 24 日，澳門，中國
Macao International Symposium on Accounting and Finance

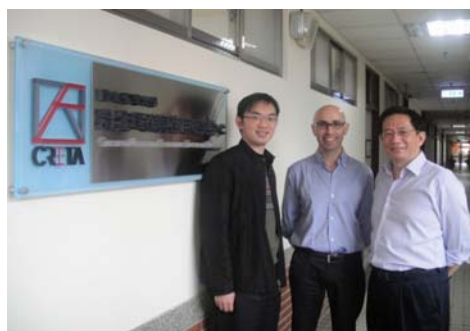
論文發表：CEO overconfidence and the long-term performance following R&D



來訪學者



葉錦徽教授、管中閔教授、Prof. Pesaran、陳宜廷教授與徐士勛教授 (左一至左五)



何耕宇教授、Prof. Valente 與管中閔教授 (左一至左三)

In 2011, CRETA held more than 12 academic events in total; 7 domestic workshops, 1 domestic conference and 5 regular seminars. On October 29, 2011, CRETA, Taiwan Econometric Society (TES) and National Cheng-chi University co-hosted 2011 TES Annual Conference and the Cross-Strait Joint Symposium on Econometrics. We will have more details about this conference in this issue.

CRETA also proudly announces that it has been granted the Excellent Research Projects, amounted NTD 30 million in 5 years, by National Taiwan University. The title of the project is: On Risk Management: Theory and Empirical Studies; the principal investigator is Prof. Chung-Ming Kuan. The information of sub-projects are as follows.

- Operational Risk, Internal Control and Corporate Governance Mechanism (Prof. Sheng-Syan Chen and Prof. Keng-Yu Ho)
- Measuring and Managing Systemic Risk: Are Capital and Asset Diversification Complements or Substitutes for Managing the Risk of Financial Institutions? (Prof. Yehning Chen)
- The Empirical Analyses of Individual Stock Option Market (Prof. San-Lin Chung)
- Equity Volatility and Default Probability: A New Hybrid Approach to Risk Management (Prof. Mao-Wei Hun)
- Central Dominance and Risk Management: Econometric Methods and Empirical Studies (Prof. Chung-Ming Kuan and Prof. Larry Tzeng)
- Assessing Risk and Capital Adequacy for Insurers (Prof. Min-Teh Yu)

This project will help to build up the reputation of this research team in the field of risk management. We will not only promote our research results and research team by publishing in domestic and international journals, but also set up a platform for domestic and international scholars to exchange their research ideas and discuss joint research plans.

In the coming years, CRETA will continue to devote efforts to hosting events with more diversified topics. Our emphasis is to promote research on econometric theory and applications in different fields. CRETA will keep maintaining an open platform for those who are interested in econometrics and try our best to attract more students and junior scholars to work closely with each other. CRETA is looking forward to seeing more of you joining us.



Each workshop and seminar attracted more than 60 participants

 Hosted by CRETA

July 14 (Thu.) 2011

CRETA Workshop on Advanced Econometrics 10



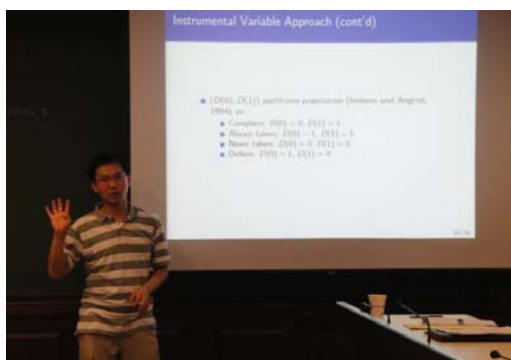
CRETA invited Prof. Xiaoxia Shi (University of Wisconsin-Madison) and Prof. Yu-Chin Hsu (University of Missouri at Columbia) to present their research results in CRETA Workshop on Advanced Econometrics 10.

Prof. Shi introduced the fundamentals of Unconditional Moment Inequality (MI) models and Conditional Moment Inequality (CMI) models. She analyzed different methods used to estimate the parameters in MI models. She also proposed an instrumental variable approach to construct the estimation and test of parameters in models defined by CMI. She showed that by properly choosing instrument functions, one can transform CMI into MI without losing identification power.

Prof. Xiaoxia Shi:

- Assistant Professor at University of Wisconsin-Madison
- Referee for *Econometric Theory*, *Journal of Econometrics*, *Journal of Applied Econometrics*, *Quantitative Economics*, and *Journal of Development Economics*.
- Reviewer for NSF

July 15 (Fri.) 2011 CRETA Workshop on Advanced Econometrics 10



Prof. Hsu gave talks on treatment effect models. He first introduced the fundamentals of Rubin Causal Model. He then reviewed various treatment effects under the framework of the Rubin Causal Model, and introduced Quantile Treatment Effect Model. Both estimation and tests of these models were discussed. Prof. Hsu also introduced some of his recent research results related to this topic.

Prof. Yu-Chin Hsu:

- Assistant Professor, University of Missouri at Columbia
- Referee for Emerging Markets Finance and Trade, Economic Inquiry, Econometric Theory, International Economic Review, Journal of Applied Econometric Reviews, and Journal of Econometric Methods

August 17 (Web.) 2011 Seminar: Prof. Cheng Hsiao



Prof. Cheng Hsiao was invited to visit Department of Economics, NTU. Meanwhile, CRETA took the chance to invite Prof. Hsiao to give a lecture. Prof. Hsiao talked about how to measure correlations of integrated but not cointegrated variables. He showed the procedure and analyzed the volatility spillover effects with a semiparametric varying coefficient model. He also analyzed the volatility spillover effects between the U.S. /U.K. markets and U.S./Canadian markets.



October 28 (Fri.) 2011

CRETA Workshop on Advanced Econometrics 11



CRETA invited Prof. M. Hashed Pesaran (University of Cambridge) to join CRETA Workshop on Advanced Econometrics 11 and give the talk on Optimal Forecasts in the Presence of Structural Breaks.

Prof. Pesaran is one of the world's leading economists and is noted for pioneering research standards. His particular expertise is in Financial Econometrics, Long-Run Structural Macroeconometric Models, Panel Vector Autoregressive Models, Global Vector Autoregressive Models, etc.



The workshop attracted around 100 participants

Prof. Pesaran is one of the founders of the Journal of Applied Econometrics and Microfit, a widely-utilized econometric software package. Prof. Pesaran has over 130 publications in leading scientific journals in the areas of econometrics, empirical macroeconomics and the Iranian economy. Prof. Pesaran's diligent effort and extraordinary insight have been recognized with honors such as the 1992 Royal Economic Society Prize for the best article and the Econometric Reviews Best Paper Award 2002-2004.

Prof. Pesaran was invited to deliver a keynote speech at TES annual conference and to give a lecture at CRETA workshop. Prof. Pesaran introduced alternative approaches to taking into account continuous and discrete structural breaks in formulating forecasts. He proposed weighting observations to obtain optimal forecasts in the MSFE sense. Monte Carlo experiments and an empirical application indicated that the forecasts based on optimal weights are more superior than other forecasting methods. In practice where information on structural breaks is uncertain, a forecasting procedure based on an optimal weighting scheme is proposed, and empirical applications are provided.

November 25 (Fri.) 2011
CRETA Workshop on Advanced Econometrics 12



CRETA invited Prof. Giorgio Valente (University of Essex) to give lectures on the topic: Algorithmic Trading (AT) and Financial Markets: Trends and Implications. Prof. Valente introduced the difference between traditional trading approach and AT. AT allows traders to connect their servers to the electronic limit order books and react to changes in market conditions within milliseconds. The second lecture, then, Prof. Valente reviewed the recent literature on AT in financial markets and some major implications for asset prices and market efficiency. Some preliminary policy implications were also discussed.



2011 Taiwan Econometric Society Annual Conference & Cross-Strait Joint Symposium on Econometrics



Taiwan Econometrics Society (TES) has attracted much attention from domestic and international scholars since 2007. 2011 Taiwan Econometric Society Annual Conference and the Cross-Strait Joint Symposium on Econometrics were hosted by TES, CRETA and Department of Economics, NCCU. The organizers of these conferences are: Prof. Hsin-Yi Lin and Prof. Shih-Hsun Hsu, both with Department of Economics, National Chengchi University.



Over one hundred participants join these conferences

TES, CRETA and Department of Economics, NCCU set up a platform by hosting Cross-Strait Joint Symposium on Econometrics to allow cross-strait scholars to exchange their research ideas and discuss their results. We were happy to invite many scholars and experts from China to participate in this event. The annual conference and the symposium consist of 8 panel sessions and 1 keynote speech. Panel sessions are featured with the following: Microeconometrics, Econometric Methodology, Applied Macroeconometrics, Quantitative Analysis, Applied Microeconometrics, Applied Financial Econometrics, Empirical Economics, and PhD Candidate Session in Empirical Finance.

We were grateful to Chih-Chiang Hsu (National Central University), Chao-Hsi Huang (National Tsing Hua University), Jin-Lung Lin (National Dong Hwa University), Larry Y. Tzeng (National Taiwan University), Mei Hsu (National Taipei University), Ping Fang Zhu (Shanghai Academy of Social Sciences), Shao Ping Wang (Huazhong University of science and technology), Sheng-Syan Cehn (National Taiwan University), Shiu-Sheng Chen (National Taiwan University), and Yi-Ting Chen (Academia Sinica) for chairing the sessions of these conferences.

2011 Taiwan Econometric Society Annual Conference & Cross-Strait Joint Symposium on Econometrics

We invited Prof. M. Hashed Pesaran (University of Cambridge) to deliver a keynote speech about China's Emergence in the World Economy and Business Cycles in Latin America. And also, we were honored to have Tong-san Wang (Chinese Association of Quantitative Economics; CAQE) and Pingfang Zhu (Shanghai Academy of Social Sciences) to give opening remarks on Cross-Strait Joint Symposium on Econometrics.



Keynote speaker: Prof. Pesaran

Prof. Pesaran showed how changes in trade linkages between China, Latin America, and the rest of the world have altered the transmission mechanism of international business cycles to Latin America. Evidence are based on a Global Vector Autoregressive (GVAR) model for 5 large Latin American economies and all major advanced and emerging economies of the world. He found that the long-term impact of a China GDP shock on a typical Latin American economy has increased by three times since mid-1990s. He then explained why Latin America did so well during the global crisis, but pointed out the risks associated with a deceleration in China's economic growth in the future to both Latin America and the rest of the world.



Cross-strait scholars and experts at the conference site

We were also happy to welcome nineteen scholars from China to join this symposium. These scholars were from: Chinese Academy of Social Sciences, East China University of Political Science and Law, Huazhong University of Science and Technology, Shanghai Academy of Social Sciences, Shanghai Jiaotong University, Shanghai University, Shanghai University of Finance and Economics, and



Prof. Tongsan Wang and Prof. Chung-Ming Kuan

Routine Workshop-WETA

In WETA in September, Prof. Ji-Liang Shiu (National Chung Cheng University) introduced the identifications and estimations of measurement error models and illustrate identification of semiparametric measurement error models. The second part of his talk discussed how to utilize the identification techniques in measurement error model to identify and estimate nonlinear dynamic panel data models with unobserved covariates.



WETA in October and November were cancelled because of the 2011 TES Annual Conference and CRETA Workshop 12. In WETA in December, Prof. Meng-Lan Yueh (National Chengchi University) gave a talk about whether options are mis-priced. She found that options are mispriced based on the high average returns, CAPM alphas, and Sharpe ratios of various trading strategies. In this seminar, she examined whether option returns are excessive relative to their risks and demonstrated the various risk premia documented in the literature.



Co-Hosted by CRETA

This seminar was hosted by department of finance, NTU and co-organized by CRETA. Prof. Dr. Edward W. Sun (Bordeaux Management School, France) was invited to introduce the ARME-GARCH model with fractal processes and how the model is applied to real finance market. He indicated that the advantage of the empirical study is threefold. First, using multi-dimensional copulas can reveal the tail dependence of the co-movement of several assets. Second, their model can capture long-range dependence, volatility clustering, and so on. Third, using high-frequency data, the impact of both macroeconomic factors and microstructure effects on asset return can be considered.

