

New Directions in Asset Pricing and Risk Management

June 15-16, 2006

London School of Economics
R405, 4th Floor, Lionel Robbins Building,
10 Portugal Street, WC2A 2AE

This conference is the final dissemination event organised as part of the EPSRC funded project on "Asset Price Dynamics under Aggregated Decision Making in Financial Markets with Uncertainty and External Constraints". The conference will highlight both statistical and theoretical aspects of financial risk and risk management with a special focus on asset price dynamics in the face of liquidity risk and agency conflicts.

The conference includes two thematic sessions:

- **Thursday 15 June**
Empirical Risk Analysis
Organiser: Dr Jon Danielsson

- **Thursday 15 and Friday 16 June**
Agency Conflicts, Liquidity, and Asset Prices
Organiser: Dr Amil Dasgupta

For registration please contact:

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We would like to thank **Engineering and Physical Sciences Research Council (EPSRC)** for supporting our research and this conference.

Registration opens at 9.00 am

Thursday, June 15

Session 1: Empirical Risk Analysis

Chair: Ron Anderson, LSE

9:30 **Dynamic Copula Models for Multivariate High-frequency Data in Finance**

Alexandra Dias, Warwick Business School

Discussant: **Cristian Huse**, FMG, LSE

10:30 **Coffee Break**

11:00 **Energy commodity prices: Is Mean-reversion Dead**

Helyette Geman, Birkbeck, University of London and ESSEC Business School

Discussant: **Oliver Linton**, FMG, LSE

12:00 **Market Turbulence and Tranquility**

Jon Danielsson, FMG, LSE

Discussant: **TBC**

13:00 **Lunch**

Session 2: Agency Conflicts, Liquidity, and Asset Prices (part one)

Chair: David Webb, FMG, LSE

14:00 **Risk and Liquidity in a System Context**

Hyun Shin, Princeton University and FMG, LSE

Discussant: **Tanju Yorulmazer**, Bank of England

15:00 **Collateral and Market Liquidity**

S. "Vish" Viswanathan, Duke University

Discussant: **Roman Inderst**, FMG, LSE

16:00 **Coffee Break**

16:30 **Flight to Liquidity, Flight to Quality, and the Pricing of Risk**

Dimitri Vayanos, FMG, LSE

Discussant: **Alan Morrison**, University of Oxford

17:30 **Reception**

Friday, June 16

Session 3: Agency Conflicts, Liquidity, and Asset Prices (part two)

Chair: John Hardman Moore, LSE, University of Edinburgh

10:00 **Intermediation, Capital Immobility, and Asset Prices**

Arvind Krishnamurthy, Northwestern University

Discussant: **Andrea Prat**, FMG, LSE

11:00 **Coffee Break**

11:20 **Dynamic Strategic Informed Trading With Risk-averse Market Makers**

Pete Kyle, Duke University

Discussant: **Sudipto Bhattacharya**, LSE

12:20 **Lunch**

Chair: Dimitri Vayanos, FMG, LSE

13:20 **Compensation and Managerial Herding: Evidence from the Mutual Fund Industry**

Massimo Massa, INSEAD

Discussant: **Michela Verardo**, FMG, LSE

14:20 **Coffee Break**

14:40 **Asset Price Dynamics When Traders Care About Reputation**

Amil Dasgupta, FMG, LSE

Discussant: **Alexander Guembel**, Oxford

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