

Finance and Insurance (Mathematics) in Zürich

Newsletter 20. Jan. 2004*

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1. Awarding of the Walter Saxer Insurance Prize

<http://www.math.ethz.ch/finance/Walter-Saxer-Prize.html>

Time: Tuesday, 3. Feb. 04, 17.15h

Venue: ETH Zurich, main building, HG D7.1

Talk: Prof. Dr. M. Schweizer (ETH Zürich)

Title: Zinsunsicherheit

2. Federal Office of Private Insurance Seminar Talk

<http://www.bpv.admin.ch/en/aktuell/veranstaltungen.htm>

Time: Monday, 2. Feb. 04, 17.15h

Venue: ETH Zurich, main building, HG F1

Speaker: Prof. D. Wilkie (Heriot-Watt University, Edinburgh)

Title: Best estimates, fair values and prudent reserves: the example of reserving for guaranteed annuity options

3. Risk and Risky Management Conference

<http://www.nccr-finrisk.unizh.ch/knowledgeTransfer/riskkriskymanag.htm>

Time: Thursday, 29 Jan. 04, 13.30-18h

Venue: SWX Swiss Exchange, Convention Point. Selnaustr. 30, 8001. Zurich

Organizers: Prof. R. Gibson and Prof. P. Vanini

Please send comments to: PD Dr. Walter Farkas, <http://www.math.ethz.ch/~farkas>

Session A: Corporate Risk Management with Profs. Rajna Gibson (Chair), Giovanni Barone-Adesi, Heinz Zimmermann, Paolo Vanini, Paul Embrechts

Session B: Quantitative Risk Management with Profs. Freddy Delbaen (Chair), Olivier Scaillet, Philipp Schnbucher, Markus Leippold and Fabio Trojani

Panel Session: Risk Management at the Interface between Theory and Practice Prof. Rajna Gibson (Chair), Prof. Giovanni Barone-Adesi, Prof. Freddy Delbaen, Dr. Philipp Halbherr, Dr. Pablo Koch-Medina, Dr. Eric Reiner, Daniel Sigrist, Prof. Rudolf Volkart

4. Finance Seminar at the University of Zurich,

<http://www.nccr-finrisk.unizh.ch/research/financeSeminarZH.htm>

4.1 Talk

Time: Friday, 23. Jan. 04, 12.15 - 13.30

Venue: Room KO2-F-172 University Centre, Entrance Karl-Schmid-Strasse 4, Zurich

Speaker: Prof. Adriano Rampini, Northwestern Univ., IL, USA

Title: A Capital Reallocation and Liquidity

4.2 Talk

Time: Friday, 30. Jan. 04, 12.15 - 13.30

Venue: Room KO2-F-172 University Centre, Entrance Karl-Schmid-Strasse 4, Zurich

Speaker: Francesca Cornelli, London Business School

Title: Pre-IPO Markets

4.3 Talk

Time: Friday, 6. Feb. 04, 12.15 - 13.30

Venue: Room KO2-F-172 University Centre, Entrance Karl-Schmid-Strasse 4, Zurich

Speaker: Gilad Livne, London Business School

Title: Buy-Side Analysts, Sell-Side Analysts and Private Information Production Activities

5. Joint Uni Zurich - IFOR/ETH Zurich Research Seminar:

"Quantitative Methods in the Economy",

<http://www.iew.unizh.ch/seminars/quantitativemethods/ws0304/>

5.1 Talk

Time: Monday, 26. Jan. 04, 16.15 - 18.00

Venue: KO2-F-172 Uni Zentrum, Entrance Karl-Schmid-Strasse 4, Zurich

Speaker: Mario Gellrich, Eidg. Forschungsanstalt für Wald, Schnee und Landschaft WSL, Birmensdorf

Title: "Land Abandonment with Regeneration of Forest in the Swiss Alps: A Spatial Economic Model of Driving Forces"

5.2 Talk

Time: Monday, 2. Feb. 04, 16.15 - 18.00

Venue: KO2-F-172 Uni Zentrum, Entrance Karl-Schmid-Strasse 4, Zurich

Speaker: Paolo Vanini, Zürcher Kantonalbank

Title: "A Simple Model of Credit Risk Contagion"

6. Simulation-based estimation in econometrics: Short Course by Eric Zivot

http://www.math.ethz.ch/finance/Short_Course_Zivot.html

Time: Tuesday, 20. Jan. 04, 13 - 15

Friday, 23. Jan. 04, 10 - 12

Monday, 26. Jan. 04, 10 - 12

Tuesday, 27. Jan. 04, 13 -15

Venue: ETH Main Building, Rmistr. 101, Hermann-Weyl-Zimmer, HG G43

Speaker: Eric Zivot, University of Washington

Title: "Simulation-based estimation in econometrics: An overview with applications to probabilistic discrete choice models and continuous-time financial models",

Abstract:

These lectures will give an overview of some recent advances in simulation-based econometric estimation techniques, focusing on the work performed under the NSF SBIR grant Next generation component software for simulation-based econometric estimation for Insightful Corporation.

The first set of lectures will concentrate on the use of simulation-based methods for estimating a wide class of probabilistic discrete choice models including probit and mixed logit models. Simulation methods are applied to evaluating high dimensional integrals that are required to compute choice probabilities. Quasi-Monte Carlo methods utilizing low discrepancy sequences are employed to improve the efficiency of the simulation methods. Estimation is performed by maximizing a simulated log-likelihood function, and some of the practical issues of doing this are discussed. Examples using the new module S+discreteChoice will also be presented.

The second set of lectures will focus on the use of simulation-based methods for estimating continuous-time models in finance. Emphasis will be placed on continuous-time stochastic volatility models for equities and interest rates. Continuous-time data are simulated through numerical solution of stochastic differential equations. Estimation of continuous-time models is achieved using Gallant and Tauchens (Which Moments to Match, *Econometric Theory* 1996) efficient method of moments. This method of indirect inference requires fitting a flexible auxiliary model to observed time series, simulating observations from a proposed continuous-time model, and matching the data with the model by minimizing a GMM-type objective function. Examples using the new module S+SNPEMM will be also be presented.