



Frontiers of Factor Investing

Virtual Conference

Hosted by Lancaster University, UK

28th – 29th January 2021

PROGRAMME

Presentations: 25 minutes followed by 5 minutes general discussion

Thursday, 28th January 2021

9:00-9:05 Join Virtual Conference

9:05-9:15 **Opening Remarks:**
Angus Laing, Dean of Lancaster University Management School

SESSION 1 (Plenary)

Chair:tbc

9:15-10:15 **Keynote Speech**
Söhnke Bartram, University of Warwick and CEPR
Title:tbc

10:15-10:25 Comfort Break

SESSION 2 (Parallel)

10:25-12:25 **Parallel Session 2A: Factor Investing**

Chair: Chi-Yang Tsou

Gregory Connor, Maynooth University

Semi-strong Factors in Asset Returns (with Robert Korajczyk, Northwestern University)

Rasmus Lönn, Erasmus University Rotterdam

Optimizing Large Portfolios using Factors and Sparse Hedging

David Happersberger, Lancaster University Management School & Invesco Quantitative Strategies

The Relevance of High-frequency News Analytics for Lower-frequency Investment Strategies (with Harald Lohre, Invesco Quantitative Strategies, Ingmar Nolte, Lancaster University Management School, Carsten Rother, Invesco Quantitative Strategies & University of Hamburg)

Chi-Yang Tsou, Hong Kong University of Science and Technology

The Asset Durability Premium (with Kai Li, Hong Kong University of Science and Technology)

10:25-12:25 **Parallel Session 2B: Bond Markets**

Chair: Alexey Ivashchenko

Mads M. Kjær, Aarhus University

Predicting Bond Return Predictability (with Jonas Nygaard Eriksen, Daniel Borup, Aarhus University, Martin Thyrgaard, Northwestern University)

Hendrik Kaufmann, Quoniam Asset Management GmbH

Factor Investing in Credit (with Harald Henke, Philip Messow & Jieyan Fang-Klingler, Quoniam Asset Management GmbH)

Lennart Dekker, Tilburg University

Factor Investing in Emerging Market Credits (with Patrick Houweling & Frederik Muskens, Robeco Investment Research)

Alexey Ivashchenko, VU Amsterdam

Corporate Bond Price Reversals

10:25-12:25 **Parallel Session 2C: Asset Pricing**

Chair: Yongjin Kim

Alessandro Melone, Vienna University of Economics and Business

Factor Models with Drifting Prices (with Carlo A. Favero, Bocconi University & Andrea Tamoni, Rutgers Business School)

Gabor Pinter, Bank of England

Fama, meets Sims

Mykola Babiak, Lancaster University Management School

Parameter Learning in Production Economies (with Roman Kozhan, Warwick Business School)

Yongjin Kim, City University of Hong Kong

Collective Learning about Systematic Risk (with Kai Li, Hong Kong University)

12:25-13:25 Break and Poster Session I

SESSION 3 (Plenary)

Chair: tbc

13:25-14:25 **Keynote Speech**

Guofu Zhou, Washington University in St. Louis

Title: *Factor Models: Limitations and Extensions*

SESSION 4 (Parallel)

14:25-15:55 **Parallel Session 4A: Current Markets 1**

Chair: Hsuan Fu

My T. Nguyen, University of Warwick

U.S. Populist Rhetoric and Currency Returns (with Ilias Filippou, Washington University & University of Warwick, Arie E. Gozluklu, University of Warwick, Mark P. Taylor, Washington University)

Huichou Huang, City University of Hong Kong

Characteristics as Signal Processes: Asset Prices, Carry, and Risk Premia (with Joon Woo Bae, Case Western Reserve University, Serhiy Kozak, University of Maryland)

Tommy von Brömsen, Sveriges Riksbank

Correlated Risk Factors in Currency Markets

14:25-15:55

Parallel Session 4B: High Frequency Financial Econometrics 1

Chair: Khaladdin Rzayev

Manh Cuong Pham, Lancaster University Management School

A Descriptive Study of High-Frequency Trade and Quote Option Data (with Torben Andersen & Viktor Todorov, Northwestern Kellogg, Ilya Archakovb & Nikolaus Hautsch, University of Vienna, Sergey Nasekin, University of Berlin, Stephen Taylor, Lancaster University Management School)

Aleksey Kolokolov, Alliance Manchester Business School

Realized moments: identification and pricing (with Federico M. Bandi, John Hopkins University, Davide Pirino, Università degli Studi di Roma, Roberto Renò, Università di Verona)

Khaladdin Rzayev, London School of Economics

Fast and furious: the market quality implications of speed in cross-border trading (with Gbenga Ibikunle, University of Edinburgh, Tom Steffen, Osmosis Investment Management)

14:25-15:55

Parallel Session 4C: Multi Asset Investments

Chair: Charles Chevalier

Gonçalo Faria, Universidade Católica Portuguesa

Frequency-domain information for active portfolio management (with Fabio Verona, Bank of Finland)

Daniele Massacci, King's College London

Common Factors and Regime Shifts in Stock and Bond Comovement (with Mirco Rubin, EDHEC Business School, Dario Ruzzi, Bank of Italy)

Charles Chevalier, Universite Paris-Dauphine, PSL Research University and Key Quant

Diversifying Trends (with Serge Darolles, Universite Paris-Dauphine)

15:55-16:05

Comfort Break

SESSION 5 (Parallel)

16:05-17:35

Parallel Session 5A: Macro Factors

Chair: Amar Soebhag

Livia Amato, HEC Paris

A Diversifying Macroeconomic Risk Factors - for Better or Worse (with Harald Lohre, Invesco Quantitative Strategies & Lancaster University Management School)

Emmanuel Jurczenko, Glion Institute of Higher Education

Macro Factor Mimicking Portfolios (with Jérôme Teiletche, Unigestion)

Amar Soebhag, Erasmus University Rotterdam

Caught by Surprise: How Markets Respond to Macroeconomic News (with Guido Baltussen, Robeco & Erasmus University Rotterdam)

16:05-17:35

Parallel Session 5B: High Frequency Financial Econometrics 2

Chair: Paul van Rensburg

Jordi Llorens, Universitat Pompeu Fabra and Barcelona Graduate School of Economics

Projected Dynamic Conditional Correlations (with Christian Timothy Brownlees, Universitat Pompeu Fabra and Barcelona Graduate School of Economics)

Rodrigo, Hizmeri, Lancaster University Management School

A Generalized Heterogeneous Autoregressive Model using the Market Index (Marwan Izzeldin & Ingmar Nolte, Lancaster University Management School, Vasileios Pappas, University of Kent)

Paul Van Rensburg, University of Cape Town

A Crisis of Confidence: Adjusting p-values for Multiple Hypothesis Testing

16:05-17:35 **Parallel Session 5C: Mutual Funds**

Chair: James Sefton

John Kim, Emory University

Capital Allocation and the Market for Mutual Funds: Inspecting the Mechanism (with Jules H. van Binsbergen, University of Pennsylvania and NBER, Soohun Kim, Georgia Institute of Technology)

Robert Czech, Bank of England

Informed Trading in Government Bond Markets (with Shiyang Huang, University of Hong Kong, Dong Lou, London School of Economics and CEPR, Tianyu Wang, Tsinghua University)

James Sefton, Imperial College Business School

Agency and Rising Volatility (with Mobeen Iqbal, Imperial College Business School)

17:35- 18:45

Best Paper Award: Invesco IQS Factor Investing Prize

Friday – 29th January 2021

SESSION 6 (Parallel)

09:00-11:00

Parallel Session 6A: Volatility

Chair: Jiadong Liu

Simon Walther, Universal-Investment-Luxembourg S.A.

Forward-looking P (with Maxim Ulrich, Karlsruhe Institute of Technology (KIT), Jonas Rothfuss, ETH Zurich, Fabio Ferreira, Karlsruhe Institute of Technology (KIT))

Yulong Sun, Bocconi University

A History Doesn't Repeat, But It Rhymes - Cash Flow Risk and Expected Returns

Gang Li, University of Toronto

Idiosyncratic Volatility and the Intertemporal Capital Asset Pricing Model

Jiadong Liu, Queen's University Belfast

Momentum and the Cross-section of Stock Volatility (with Minyou Fan & Fearghal Kearney, Queen's University Belfast, Youwei Li, University of Hull)

09:00-11:00

Parallel Session 6B: Forecasting

Chair: Lair Thibault

Michael Halling, Stockholm School of Economics and Swedish House of Finance

Valuation Ratios and Shape Predictability in the Distribution of Stock Returns (with Paolo Giordani, BI Norwegian Business School)

Daniele Bianchi, Queen Mary University of London

Divide and Conquer: Financial Ratios and Industry Returns Predictability (with Kenichiro McAlinn, Temple University)

Tobias Stein, Deutsche Bundesbank and Goethe University Frankfurt

Out-of-Sample Equity Premium Prediction: Combination Forecasts with Frequency-Decomposed Variables

Lair Thibault, EDHEC Business School

Scarcity risk premium

09:00-11:00

Parallel Session 6C: Machine Learning

Chair: Amine Raboun

Chulwoo Han, Durham University Business School

Bimodal Characteristic Returns and Enhancing Predictability via Machine Learning

Alejandro Lopez-Lira, University of Pennsylvania

Risk Factors that Matter: Textual Analysis of Risk Disclosures for the Cross-Section of Returns Term and Stochastic Risk Premia (with Paul Schneider, University of Lugano)

Martin Hronec, Charles University

Does It Pay to Follow Anomalies Research? Machine Learning Approach with International Evidence (with Ondrej Tobek, University of Cambridge)

Amine Raboun, Paris Dauphine University

Modelling Transaction Costs when Trades May Be Crowded: A Bayesian Network Using Partially Observable Orders Imbalance (with Marie Brière, Paris Dauphine University, Charles-Albert Lehalle, Imperial College London, Tamara Nefedovaz, Paris Dauphine University)

11:00-11:10

Comfort Break

SESSION 7 (Parallel)

11:10-12:10

Parallel Session 7A: Currency Markets 2

Chair: Ruirui Liu

Sofonias Alemu Korsaye, University of Geneva

The Global Factor Structure of Exchange Rates (with Fabio Trojaniz, University of Geneva, Andrea Vedolin, Boston University, NBER and CEPR)

Ruirui Liu, King's College London

Optimal Factor Investing in a Data-Rich Environment: Additive Gradients and Model Sparsity with an Application to FX Markets (with Georgios Chortareas & George Kapetanios, King's College London)

11:10-13:10

Parallel Session 7B: Tail and Break Risk

Chair: Matej Nevrla

Yifan Li, University of Manchester

Disclosure of Private In-house Meetings and Stock Crash Risk: Evidence from China (with Hang Zhou, University of Edinburgh, Rong Ding, University of Warwick, Yuxin Sun, Queen's University Belfast)

Alex Gibberd, Lancaster University

When "Structural Change" meets "Transaction Cost" in Volatility Timing (with Yin Liao, Queensland University of Technology, Di Bu, Macquarie University)

Hui Guo, University of Cincinnati

On the Stock Market Variance-Return or Price Relations: A Tale of Fear and Euphoria

Matej Nevrla, Charles University

Quantile Spectral Beta: A Tale of Tail Risks, Investment Horizons, and Asset Prices (with Jozef Barunik, The Czech Academy)

11:10-13:10

Parallel Session 7C: Hedge Funds & Institutional Investors

Chair: Kirsty Jansen

Xinyu Cui, University of Manchester

Hedge Funds and Quasi-Indexers: Where do Alphas Come from? (with Olga Kolokolova, University of Manchester, Jiaguo (George) Wang, Lancaster University Management School)

Farouk Jivraj, Barclays Investment Bank

Systematic 13F Hedge Fund Alpha (with Luca Angelini, Norvus Partners Inc, Mobeen Iqbal, Barclays Investment Bank)

Manuela Pedio, Bocconi University

How Smart is the Real Estate Smart Beta? Evidence from Optimal Style Factor Strategies for REITs (with Massimo Guidolin, Bocconi University)

Kristy Jansen, Tilburg University

Liability-Driven Investors (with Dirk W.G.A. Broeders, Maastricht University and De Nederlandsche Bank)

14:10-15:10 **Keynote Speech**
Tarun Gupta, Invesco Quantitative Strategies
Title: Alternative Data: Applications for Factor Investing

POSTER SESSION I
Thursday, 28th January 2021

Sofonias A. Korsaye, University of Geneva
Smart Stochastic Discount Factors (with Alberto Quaini & Fabio Trojani, University of Geneva)

Saba Malik, Lincoln University, Christchurch
Portfolio Style, Sorting, Diversification & Robustness of Asset-Pricing Models: Evidence from the Australian Market (with Sazali Adidin, Lincoln University, Christchurch, JD van Heerden, Synlait Milk Ltd)

Peterson Owusu Junior, University of the Witwatersrand
Connectedness of Cryptocurrencies and Gold returns: Evidence from Frequency-dependent Quantile Regressions (with Anokye M. Adam, University of Cape Coast, George Tweneboah, University of the Witwatersrand)

Thang Ho, Lancaster University Management School
Bear Market Risk and the Cross-section of Hedge Fund Returns (with Anastasios Kagkadis & George Wang, Lancaster University Management School)

Wenjie Ding, Cardiff Business School
Volatility Timing, Sentiment, and the Short-term Profitability of VIX-based Cross-sectional Trading Strategies (with Khelifa Mazouz, Cardiff Business School, Qingwei Wang, Cardiff Business School & Centre for European Economic Research (ZEW))

Aya Nasreddine, Paris Nanterre Universit
Corporate Social Responsibility as a Common Risk Factor (with Souad Lajili Jarjir, University Paris-Est, Marc Desban, University Paris-Est)

Kaiwen Tian, Lancaster University Management School
Trading Suspension Bias in China Stock Market Data

Christoph Frey, Erasmus University Rotterdam
Bayesian Sequential Stock Return Prediction Through Copulas (with Audrone Virbickaite, Universitat de les Illes Balears, Demian N. Macedo, Universitat de les Illes Balears)

POSTER SESSION II

Friday, 29th January 2021

Chi-Yang Tsou, Hong Kong University of Science and Technology

Learning and the Capital Age Premium (with Kai Li & Chenjie Xu, Hong Kong University of Science and Technology)

Juan Arismendi Zambrano, National University of Ireland

Multifactor Empirical Asset Pricing Under Higher-Order Moment Variations (with Martin Lozano, University of Monterrey, Massimo Guidolin, Manchester Business School, & Bocconi University)

Zeming Li, University of Southampton

Intraday Time Series Momentum: International Evidence (with Athanasios Sakkas, University of Nottingham, Andrew Urquhart, University of Reading)

Swasti Gupta-Mukherjee, Loyola University Chicago

Investor Sentiment, Fund Pricing, Performance, and Survival

Rui Gong, The Ohio State University

Return Chasing by Hedge Fund Investors

Sebastian Stöckl, University of Liechtenstein

Parameter Uncertainty, Financial Turbulence and Aggregate Stock Returns

Gordon Dash, University of Rhode Island

Multiobjective Behavioral Portfolio Selection with Efficient ESG Factors and Learning Network Estimation of Asset Returns (with Nina Kajiji, University of Rhode Island)

Alexander Swade, Lancaster University Management School

Why do equally weighted portfolios beat the value weighted?