

Frontiers of Factor Investing

Virtual Conference

Hosted by Lancaster University, UK

28th – 29th January 2021

Time – UK (GMT)

All registered attendees will receive the required link for the Conference.

PROGRAMME

Presentations: 25 minutes followed by 5 minutes general discussion. Speakers and session chairs should meet in the virtual room at least 5 minutes before their session.

Thursday, 28th January 2021

09:00-09:05 hrs Join Virtual Conference – Virtual Room – “Keynote”

09:05-09:15 hrs **Welcome and Logistics:**
 Ingmar Nolte, Director Centre for Financial Econometrics, Asset Markets & Macroeconomic Policy,
 Lancaster University Management School

Virtual Room – “Keynote – SESSION 1 (Plenary)

*Chair: Harald Lohre, Invesco
Support: Lakshmi & Shifan*

09:15-10:15 hrs **Keynote Speech**
 Söhnke Bartram, University of Warwick and CEPR
 Title: *Book-to-Market: Mispricing or Risk?*

10:15-10:30 hrs Comfort Break

SESSION 2 (Parallel)

10:30-12:30 hrs **Parallel Session 2A: Factor Investing**
 Chair: Chi-Yang Tsou
 Support: Lakshmi & Shifan
 Virtual Room – “Lancaster”

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, CEAM Cambridge Judge Business School, 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)

10:30-12:30 hrs

Parallel Session 2B: Bond Markets

Chair: Alexey Ivashchenko

Support: Alex & David

Virtual Room – “Invesco”

Mads M. Kjær, Aarhus University

Predicting Bond Return Predictability (with Jonas Nygaard Eriksen, Daniel Borup, Aarhus University, Martin Thyrsgaard, 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

10:30-12:30 hrs

Parallel Session 2C: Asset Pricing

Chair: Yongjin Kim

Support: Berke & Filip

Virtual Room – “Cambridge”

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

Risk Premium Shocks: Informing Structural VARs with Asset Pricing Models

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)

12:30-13:45 hrs

Lunch Break and Poster Session I – Virtual Room “Poster Area”

Virtual Room – “Keynote” - SESSION 3 (Plenary)

Chair: Sandra Nolte, LUMS

Support: Lakshmi & Shifan

13:45-14:45 hrs

Keynote Speech

Guofu Zhou, Washington University in St. Louis

Title: Factor Models: Limitations and Extensions

14:45-16:15 hrs	<p>Parallel Session 4A: Currency Markets 1</p> <p><i>Chair: Tommy von Brömsen</i> <i>Virtual Room – “Lancaster”</i> <i>Support: Lakshmi & Shifan</i></p> <p>Huichou Huang, City University of Hong Kong <i>Characteristics as Signal Processes: Asset Prices, Carry, and Risk Premia</i> (with Joon Woo Bae, Case Western Reserve University, Serhiy Kozak, University of Maryland)</p> <p>My T. Nguyen, University of Warwick <i>U.S. Populist Rhetoric and Currency Returns</i> (with Ilias Filippou, Washington University & University of Warwick, Arie E. Gozluklu, University of Warwick, Mark P. Taylor, Washington University)</p> <p>Tommy von Brömsen, Sveriges Riksbank <i>Correlated Risk Factors in Currency Markets</i></p>
14:45-16:15 hrs	<p>Parallel Session 4B: High Frequency Financial Econometrics 1</p> <p><i>Chair: Khaladdin Rzayev</i> <i>Support: Alex & David</i> <i>Virtual Room – “Invesco”</i></p> <p>Manh Cuong Pham, Lancaster University Management School <i>A Descriptive Study of High-Frequency Trade and Quote Option Data</i> (with Torben Andersen & Viktor Todorov, Northwestern Kellogg, Ilya Archakov & Nikolaus Hautsch, University of Vienna, Sergey Nasekin, University of Berlin, Ingmar Nolte & Stephen Taylor, Lancaster University Management School)</p> <p>Aleksey Kolokolov, Alliance Manchester Business School <i>Realized Moments: Identification and Pricing</i> (with Federico M. Bandi, John Hopkins University, Davide Pirino, Università degli Studi di Roma, Roberto Renò, Università di Verona)</p> <p>Khaladdin Rzayev, University of Edinburgh and Koc University <i>Fast and Furious: The Market Quality Implications of Speed in Cross-border Trading</i> (with Gbenga Ibikunle, University of Edinburgh, Tom Steffen, Osmosis Investment Management)</p>
14:45-15:45 hrs	<p>Parallel Session 4C: Multi Asset Investments</p> <p><i>Chair: Daniele Massacci</i> <i>Support: Berke & Filip</i> <i>Virtual Room – “Cambridge”</i></p> <p>Gonçalo Faria, Universidade Católica Portuguesa <i>Frequency-domain Information for Active Portfolio Management</i> (with Fabio Verona, Bank of Finland)</p> <p>Daniele Massacci, King's College London <i>Common Factors and Regime Shifts in Stock and Bond Comovement</i> (with Mirco Rubin, EDHEC Business School, Dario Ruzzi, Bank of Italy)</p>

16:15-16:30 hrs Comfort Break

16:30-18:00 hrs

Parallel Session 5A: Macro Factors*Chair: Amar Soebhag**Support: Lakshmi & Shifan**Virtual Room – “Lancaster”***Livia Amato, HEC Paris***Diversifying Macroeconomic Risk Factors - for Better or Worse* (with Harald Lohre, Invesco Quantitative Strategies, CEAM Cambridge Judge Business School & 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)*

16:30-18:00 hrs

Parallel Session 5B: High Frequency Financial Econometrics 2*Chair: Paul van Rensburg**Support: Alex & David**Virtual Room – “Invesco”***Jordi Llorens-Terrazas, 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* (with 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*

16:30-18:00 hrs

Parallel Session 5C: Mutual Funds*Chair: James Sefton**Support: Berke & Filip**Virtual Room – “Cambridge”***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)

09:00-11:00 hrs

Parallel Session 6A: Volatility

Chair: Minyou Fan

Support: Lakshmi & Shifan

Virtual Room – “Lancaster”

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

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

Minyou Fan, Queen’s University Belfast

Momentum and the Cross-section of Stock Volatility (with Jiadong Liu & Fearghal Kearney, Queen’s University Belfast, Youwei Li, University of Hull)

09:00-11:00 hrs

Parallel Session 6B: Forecasting

Chair: Thibault Lair

Support: Alex & David

Virtual Room – “Invesco”

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

Thibault Lair, EDHEC Business School

Scarcity Risk Premium

09:00-11:00 hrs

Parallel Session 6C: Machine Learning

Chair: Amine Raboun

Support: Berke & Filip

Virtual Room – “Cambridge”

Alejandro Lopez-Lira, BI Norwegian Business School

Risk Factors that Matter: Textual Analysis of Risk Disclosures for the Cross-Section of Returns

Martin Hronec, Charles University

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

Alex Gibberd, Lancaster University

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

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)

11:00-11:15 hrs Comfort Break

SESSION 7 (Parallel)

11:15-12:45 hrs **Parallel Session 7A: Currency Markets 2**

Chair: Kirsty Jansen

Assistant: Lakshmi & Shifan

Virtual Room – “Lancaster”

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)

Kristy Jansen, Tilburg University

Pension Funds and Drivers of Heterogeneous Investment Strategies (with Dirk W.G.A. Broeders, Maastricht University and De Nederlandsche Bank)

11:15-12:45 hrs **Parallel Session 7B: Tail and Break Risk**

Chair: Matej Nevrla

Support: Alex & David

Virtual Room – “Invesco”

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)

Yu-Jou (Abby) Pai, University Concordia

On the Stock Market Variance-Return or Price Relations: A Tale of Fear and Euphoria (with Hui Guo, University of Cincinnati & Qian Lin, Wuhan University)

Matej Nevrla, Charles University

Tail Risks, Investment Horizons, and Asset Prices (with Jozef Barunik, The Czech Academy)

11:15-12:45 hrs **Parallel Session 7C: Hedge Funds & Institutional Investors**

Chair: Manuela Pedio

Support: Berke & Filip

Virtual Room – “Cambridge”

Thang Ho, Lancaster University Management School

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

Mobeen Iqbal, Barclays Investment Bank

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

Manuela Pedio, University of Bristol

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

12:45-14:15 hrs Lunch Break and Poster Session II – Virtual Room “Poster Area”

Virtual Room “Keynote” - SESSION 8 (Parallel)

Chair: Mark Shackleton, LUMS

Support: Lakshmi & Shifan

14:15-15:15 hrs

Keynote Speech

Tarun Gupta, Invesco Quantitative Strategies

Title: Alternative Data: Applications for Factor Investing

Virtual Room “Keynote” - SESSION 8 (Parallel)

Support: Lakshmi & Shifan

15:15-15:30 hrs

Virtual Room – “Keynote”

Best Paper Award: Invesco IQS Factor Investing Prize

Presented by Harald Lohre, Invesco Quantitative Strategies, CEAM Cambridge Judge Business School

15:30 hrs

Conference Closed

POSTER SESSION I

Thursday, 28th January 2021

Sebastian Stöckl, University of Liechtenstein

Parameter Uncertainty, Financial Turbulence and Aggregate Stock Returns

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))

Kaiwen Tian, Lancaster University Management School

Artificial Illiquidity and Inefficient Index

Christoph Frey, Erasmus University Rotterdam

Shrinkage Estimation in Risk Parity Portfolios (with Nabil Alkfari, WHU - Otto Beisheim School of Management)

Filip Basic, Lancaster University Management School - Do Not Fall Short: Estimating Implementation Shortfall (with

Ingmar Nolte, Sandra Nolte, Lancaster University Management School, Harald Lohre, Invesco Quantitative Strategies, CEAM Cambridge Judge Business School, Alberto Martin Utrera, New Jersey Institute of Technology (NJIT))

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

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

Alexander Swade, Lancaster University Management School

Macro Factor Investing with Style

(with Harald Lohre, Invesco Quantitative Strategies, Sandra Nolte & Mark Shackleton, Lancaster University Management School)

POSTER SESSION II
Friday, 29th January 2021

Juan Arismendi Zambrano, National University of Ireland

The Efficiency vs. Pricing Accuracy Trade-Off in GMM Estimation of Multifactor Linear Asset Pricing Models? (with Massimo Guidolin, Manchester Business School & Bocconi University & Martin Lozano, University of Monterrey)

Nikolas Vasilas, Lancaster University Management School

Enhanced Factor Timing: Portfolio Predictability and Assessment of Dimension Reduction Techniques in the Characteristics Space (with Ingmar Nolte, Anastasios Kagkasis & Sandra Nolte, Lancaster University Management School)

Zeming Li, University of Southampton

Intraday Time Series Momentum: Global Evidence and Links to Market Characteristics (with Athanasios Sakkas, University of Nottingham, Andrew Urquhart, University of Reading)

Swasti Gupta-Mukherjee, Loyola University Chicago

Investor Sentiment and Time varying Investor Sophistication: Evidence from the Mutual Fund Industry

Rui Gong, The Ohio State University

Return Chasing by Hedge Fund Investors

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?

(with Harald Lohre, Invesco Quantitative Strategies, Sandra Nolte & Mark Shackleton, Lancaster University Management School)