

SESSIONS

Thursday, November 18th 2010

8:15-9:00

Reception and Registration

9:00-9:20 Auditorium

Program Inauguration: *The Finance Forum: Eighteen Years of Research in Financial Economics in Spain*

Gonzalo Rubio

Chairman of the Scientific Committee for the XVIII Finance Forum

9:30-11:30

Parallel Sessions (T1)

• **T1A Financial Integration, *Chairman: Roberto Blanco (Banco de España)***

Room 4 (Floor 1)

The EURO as a Reserve Currency for Global Investors

Luis Viceira (Harvard University) and Ricardo Gimeno (Banco de España)

Discussant: Ignacio Peña (Universidad Carlos III)

Towards a Common European Monetary Union Risk-Free Rate

Sergio Mayordomo (CNMV), Ignacio Peña (Universidad Carlos III) and Eduardo Schwartz (UCLA)

Discussant: Ricardo Gimeno (Banco de España)

Convergence of the Term Structure of Interest Rate and the Distortions Associated with the Financial Crisis

Hortensia Fontanals (Universidad de Barcelona), Elisabet Ruíz (Universidad de Barcelona) and Catalina Bolance (Universidad de Barcelona)

Discussant: Narayan Bulusu (IESE Business School)

Internal, External and Global Integration: The Case of the European Corporate Credit Markets

Sergio Mayordomo (CNMV) and Ignacio Peña (Universidad Carlos III)

Discussant: Antonio Díaz (Universidad de Castilla La Mancha)

- **T1B Topics on Corporate Finance, Chairman: Andrés Almazán (University of Texas at Austin)**

Room 2 (Floor 1)

Board Reputation, CEP Pay, and Camouflaged Compensation

Pablo Ruíz-Verdú (Universidad Carlos III) and Ravi Singh (Higher Moment Capital)

Discussant: Maite Pastor (Universidad CEU Cardenal Herrera)

Stock Options for Risk Averse Executives under Stochastic Volatility

Angel León (Universidad de Alicante), Agueda Madoz (Universidad del País Vasco) and Antoni Vaello (Universidad de las Islas Baleares)

Discussant: Manuel Moreno (Universidad Castilla La Mancha)

Does Nonmonetary Benefit Matter for Corporate Executives? Evidence from the Pay Premium for Quality of Life

Xin Deng (Nanyang Technological University) and Huasheng Gao (Nanyang Technological University)

Discussant: Carmen Martínez-Carrascal (Banco de España)

Capital Structure Adjustment Process in Firms Accessing Venture Funding

Marina Balboa (Universidad de Alicante), José Martí (Universidad Complutense) and Álvaro Tresierra (Universidad Complutense)

Discussant: Carlos González-Aguado (CNMV)

- **T1C Asset Pricing, Chairman: José Marín (IMDEA)**

Room 3 (Floor 1)

The Cross-Section of Stock Returns in Frontier Markets

Wilma de Groot (Robeco Quantitative Strategies), Juan Pang (Robeco Quantitative Strategies) and Laurens Swinkels (Erasmus School of Economics)

Discussant: Ana Carmen Díaz-Mendoza (Universidad del País Vasco)

Time-Varying Market Beta in an Emerging Market

Belén Nieto (Universidad de Alicante), Susan Orbe (Universidad del País Vasco) and Ainhoa Zárraga (Universidad del País Vasco)

Discussant: Roberto Pascual (Universidad de las Islas Baleares)

A Unifying Approach to the Empirical Evaluation of Asset Pricing Models

Francisco Peñaranda (Universidad Pompeu Fabra) and Enrique Sentana (CEMFI)

Discussant: Rosa Rodríguez (Universidad Carlos III)

Connected Stocks

Miguel Antón (London School of Economics) and Christopher Polk (London School of Economics)

Discussant: Belén Nieto (Universidad de Alicante)

- **T1D Derivatives, Chairman: Javier Fernández-Navas (Universidad Pablo de Olavide)**

Room 1 (Floor 0)

The Optimal Method for Pricing Bermudan Options by Simulation

Alfredo Ibañez (Caja Madrid) and Carlos Velasco (Universidad Carlos III)

Discussant: Gabriel Penagos (Universidad CEU Cardenal Herrera)

Polynomial Sample Transmutations of the Normal Distribution with an Application to Option Valuation

Unai Ansejo (Universidad del País Vasco), Aitor Bergara (Universidad del País Vasco), and Antoni Vaello (Universidad de las Islas Baleares)

Discussant: Alfredo Ibáñez (Caja Madrid)

Fitting the Skew with an Analytic Local Volatility Function

Jacinto Marabel (BBVA)

Discussant: Carlos González-Pedraz (Universidad Carlos III)

Bounding Security Prices in Incomplete Markets. Does Stochastic Volatility Matter?

Naroa Marroquín (Universidad del País Vasco) and Manuel Moreno (Universidad de Castilla La Mancha)

Discussant: Antoni Vaello (Universidad de las Islas Baleares)

11:30-12:00 Coffee Break

12:00-13:00 Auditorium

Invited Conference: Firm Investment and Stakeholder Choices: A Top-Down Theory of Capital Budgeting (joint with Sheridan Titman and Zhaohui Chen)

Andrés Almazán (University of Texas at Austin)

13:00-14:30 LUNCH

14:30-16:30

Parallel Sessions (T2)

- **T2A Financial Crisis, Chairman: Ana Lozano (Universidad de Málaga)**

Room 4 (Floor 1)

The Resolution of Banking Crisis and Market Discipline: International Evidence

Elena Cubillas (Universidad de Oviedo), Ana Fonseca (Universidad de Oviedo) and Francisco González (Universidad de Oviedo)

Discussant: Miguel Durán (Universidad de Málaga)

The Real Effects of Banking Crisis: Finance or Asset Allocation Effects? Some International Evidence

Ana I. Fernández (Universidad de Oviedo), Francisco González (Universidad de Oviedo) and Nuria Suárez (Universidad de Oviedo)

Discussant: Juan Fernández de Guevara (IVIE and Universidad de Valencia)

Financial Crisis, Financial Integration and Economic Growth: The European Case

Juan Fernández de Guevara (IVIE and Universidad de Valencia) and Joaquín Maudos (IVIE and Universidad de Valencia)

Discussant: Santiago Carbó (Universidad de Granada)

Financial Development and Economic Growth: The Asymmetric Effect of Financial Stability

Santiago Carbó (Universidad de Granada) and Luis Pedauga (Universidad de Granada)

Discussant: Ángeles Carnero (Universidad de Alicante)

- **T2B Small and Medium Enterprises and Households, Chairman: Rafael Crespi (Universidad de las Islas Baleares)**

Room 2 (Floor 1)

Risk and Business-Owing Families

Francisco Callado (Universidad de Girona) and Natalia Utrero (Universidad de Girona)

Discussant: María Gutiérrez (Universidad Carlos III)

Determinación del Precio en Empresas no Cotizadas: Factores que Influyen en el Descuento

Claudio Bolívar (Universidad de Salamanca) and Belén Lozano (Universidad de Salamanca)

Discussant: José López-Gracia (Universidad de Valencia)

On the Relevance of Agency Conflicts in SME Debt Maturity Structure

José López-Gracia (Universidad de Valencia) and Reyes Mestre (Universidad de Valencia)

Discussant: Pablo Ruíz-Verdú (Universidad Carlos III)

Determinants of Household Default in Spain

Roberto Blanco (Banco de España) and Ricardo Gimeno (Banco de España)

Discussant: Claudio Campanale (Universidad de Alicante)

• **T2C Investment Strategies, Chairman: Enrique Sentana (CEMFI)**

Room 3 (Floor 1)

S&P 500 Index Additions and Cash Holding Decisions

Petya Platikanova (ESADE)

Discussant: David Moreno (Universidad Carlos III)

Optimal Option Portfolio Strategies

José Faias (Universidade Católica Portuguesa) and Pedro Santa-Clara (Universidade Nova de Lisboa)

Discussant: Ángel León (Universidad de Alicante)

Optimal Portfolio Choice in Real Terms: Measuring the Benefits of TIPS

Jonatan Saúl (Universidad Carlos III), Alvaro Cartea (Universidad Carlos III) and Juan Toro (IE Business School)

Discussant: José Faias (Universidade Católica Portuguesa)

Short Selling REITs and Hedging Real Estate Risk

Pedro Saffi (IESE Business School) and Carles Vergara-Alert (IESE Business School)

Discussant: Miguel Antón (London School of Economics)

• **T2D Commodities, Chairman: Alfredo Ibañez (Caja Madrid)**

Room 1 (Floor 0)

CO2 Risk Premium and Convenience Yield Determination: Considering Spot Volatility in the EEX Market

M. Teresa Madaleno (University of Aveiro) and Carlos Pinho (University of Aveiro)

Discussant: María Mansanet (Universidad de Valencia)

EUA and sCER Phase II Price Drivers: Unveiling the Reasons for the Existence of the EUA- sCER Spread

María Mansanet (Universidad de Valencia), Julien Chevallier (University Paris-Dauphine), Morgan Hervé (Mission Climat-Caisse des Dépôts) and Emilie Alberola (Mission Climat-Caisse des Dépôts)

Discussant: Ana Isabel Mateos (Universidad CEU Cardenal Herrera)

How Much Should We Pay for Interconnecting Electricity Markets? A Real Options Approach

Alvaro Cartea (Universidad Carlos III) and Carlos González-Pedraz (Universidad Carlos III)

Discussant: José Penalva (Universidad Carlos III)

The Forward Premium in Electricity Markets and the Role of Speculators

Alvaro Cartea (Universidad Carlos III), José Penalva (Universidad Carlos III) and Eduardo Schwartz (UCLA)
Discussant: Isabel Figuerola-Ferretti (Universidad Carlos III)

16:30-17:00 Coffee Break

17:00-18:00 Auditorium

Invited Conference: Asset Pricing and Financial Crisis
Tano Santos (Columbia University)

Friday, November 19th 2010

8:30-10:30

Parallel Sessions (F1)

• **F1A Financial Crisis, Credit Markets and Contagion, *Chairman: Santiago Carbó (Universidad de Granada)***

Room 4 (Floor 1)

Financially Constrained Arbitrage and Cross-Market Contagion
Denis Gromb (INSEAD) and Dimitri Vayanos (London School of Economics)

Strategic Complementarity, Fragility, and Regulation
Xavier Vives (IESE Business School)
Discussant: Francisco Callado (Universidad de Girona)

Interest Rate Shocks and Credit Risk
Carlos González-Aguado (CNMV) and Javier Suárez (CEMFI)
Discussant: Petya Platikanova (ESADE)

Sharing Information in the Credit Markets: Contract-Level Evidence from US Firms
Antonio Doblado-Madrid (Michigan State University) and Raoul Minetti (Michigan State University)
Discussant: Roberto Blanco (Banco de España)

• **F1B Corporate Finance, *Chairman: Ana I. Fernández (Universidad de Oviedo)***

Room 2 (Floor 1)

New Evidence on the Dynamic Trade-off Theory of Capital Structure

Carlos González-Aguado (CNMV)

Discussant: Francisco Sogorb (Universidad CEU-Cardenal Herrera)

Measuring Financing Constraints using Firm-Level Estimation of Investment Cash Flow Sensitivities: A Bayesian Approach

Bert D. Espallier (Lessius University College), Jolien Huybrechts (Hasselt University) and Felix López-Iturriaga (Universidad de Valladolid)

Discussant: Josep Tribó (Universidad Carlos III)

The Effect of Social Capital on Financial Capital

Moshe Kim (University of Haifa), Jordi Surroca (Universidad Carlos III) and Josep Tribó (Universidad Carlos III)

Discussant: Félix López-Iturriaga (Universidad de Valladolid)

Cash Holding, Firm Size and Access to External Finance. Evidence from the Euro Area

Carmen Martínez-Carrascal (Banco de España)

Discussant: Marina Balboa (Universidad de Alicante)

• F1C Investment Companies, Chairman: Javier Gil-Bazo (Universidad Pompeu Fabra)

Room 3 (Floor 1)

The Efficiency of Performance-based-fee Mutual Funds

Ana Carmen Díaz-Mendoza (Universidad del País Vasco), Germán López-Espinosa (Universidad de Navarra) and Miguel A. Martínez (Universidad del País Vasco)

Discussant: Juan Carlos Matallín (Universidad Jaime I)

Management Structure, Agency Costs, and Managerial Entrenchment: The Case of Closed-End Investment Companies

William Allen (University of Missouri), Dan French (University of Missouri) and David Maslar (University of Missouri)

Discussant: Javier Gil-Bazo (Universidad Pompeu Fabra)

Seasonal Anomalies in the Returns of Spanish Pension Plans

Laura Andreu (Universidad de Zaragoza), Cristina Ortíz (Universidad de Zaragoza) and José Luis Sarto (Universidad de Zaragoza)

Discussant: Carlos Forner (Universidad de Alicante)

Analyst Behavior and the Announcement of Bad News: The Case of Going-Concern Opinions

Rubén Peixinho (University of the Algarve) and Richard Taffler (Manchester Business School)

Discussant: Miguel A. Martínez (Universidad del País Vasco)

- **F1D Risk Management, Chairman: Paul MacManus (AFI)**

Room 1 (Floor 0)

A Detailed Comparison of Value at Risk Estimates

Pilar Abad (Universidad Rey Juan Carlos) and Sonia Benito (UNED)

Discussant: Mariano González (Universidad CEU Cardenal Herrera)

Business Cycle and Interest Rates: Pricing and Risk Management under a New Term Structure Model

Manuel Moreno (Universidad de Castilla La Mancha) and Federico Platania (Universidad de Castilla La Mancha)

Discussant: Maite Martínez (Grupo Santander)

Kernel Alternatives to Approximate Operational Severity Distribution: An Empirical Application

Filippo di Pietro (Universidad de Sevilla), María Oliver (Universidad de Sevilla) and Ana Irimia (Universidad de Sevilla)

Discussant: Pedro Serrano (Universidad Carlos III)

Simulations of Operating Exposure to Risk

Richard Friberg (Stockholm School of Economics) and Cristian Huse (Stockholm School of Economics)

Discussant: Elisa Alonso (Ernst&Young)

10:30-11:00 Coffee Break

11:00-13:00

Parallel Sessions (F2)

- **F2A Credit Risk, Chairman: Ignacio Peña (Universidad Carlos III)**

Room 4 (Floor 1)

European Default Risk Premia

Antonio Díaz (Universidad de Castilla La Mancha), Jonatan Groba (Universidad Carlos III) and Pedro Serrano (Universidad Carlos III)

Discussant: Santiago Forte (ESADE)

Structural Imbalances in the Credit Default Swap Market: Empirical Evidence

Lidija Lovreta (CUNEF)

Discussant: Sonia Benito (UNED)

Systemic Risk Measures: The Simpler the Better?

María Rodríguez (Universidad Carlos III) and Ignacio Peña (Universidad Carlos III)

Discussant: Juan Ángel Lafuente (Universidad Jaime I)

Risk Premium Analysis in Collateral Debt Obligations

Antonio Díaz (Universidad de Castilla La Mancha), Manuel Moreno (Universidad de Castilla La Mancha) and Pedro Serrano (Universidad Carlos III)

Discussant: Carles Vergara-Alert (IESE Business School)

● **F2B Banking, Chairman: Xavier Freixas (Universidad Pompeu Fabra)**

Room 2 (Floor 1)

Bank Moral Hazard in the USA and EU: How do Risky Banks Finance their Assets?

Miguel Durán (Universidad de Málaga), Ana Lozano-Vivas (Universidad de Málaga) and Antonio Morales (Universidad de Málaga)

Discussant: Francisco González (Universidad de Oviedo)

Direct Pricing of Retail Payment Methods: Norway vs. US

Francisco Callado (Universidad de Girona), Jana Hromcová (Universidad Autónoma de Barcelona), Natalia Utrero (Universidad de Girona)

Discussant: Antonio Doblas-Madrid (Michigan State University)

On the Earnings Smoothing Hypothesis in the Banking Industry

Marina Balboa (Universidad de Alicante), Germán López-Espinosa (Universidad de Navarra), Antonio Rubia (Universidad de Alicante)

Discussant: Fernando Gascón (Universidad de Oviedo)

Cyclical Effects of Bank Buffers with Imperfect Credit Markets: International Evidence

Ana Fonseca (Universidad de Oviedo), Francisco González (Universidad de Oviedo), Luiz Pereira da Silva (World Bank and Banco Central do Brasil)

Discussant: Dan French (University of Missouri)

● **F2C Microstructure, Chairman: Roberto Pascual (Universidad Islas Baleares)**

Room 3 (Floor 1)

Estimating Price Impact: Two New Estimates

Jos van Bommel (Universidad CEU Cardenal Herrera) and Francisco Sogorb (Universidad CEU Cardenal Herrera)

Discussant: Ariadna Dumitrescu (ESADE)

On the Role of Transparency in the ABS Secondary Market

Ramiro Losada (CNMV)

Discussant: David Abad (Universidad de Alicante)

Public Information in Fragmented Markets

Andres Storckenmaier (Karlsruhe Institute of Technology), Martin Wagener (Karlsruhe Institute of Technology) and Christof Weinhardt (Karlsruhe Institute of Technology)

Discussant: Mikel Tapia (Universidad Carlos III)

Market Microstructure Invariants

Pete Kyle (University of Maryland) and Anna Obizhaeva (University of Maryland)
Discussant: Jos van Bommel (Universidad CEU Cardenal Herrera)

- **F2D Financial Econometrics, Chairman: Alfonso Novales (Universidad Complutense)**

Room 1 (Floor 0)

Robust Inference in Predictive Regressions

Paulo Rodrigues (Banco Central do Portugal) and Antonio Rubia (Universidad de Alicante)

Discussant: Francisco Peñaranda (Universidad Pompeu Fabra)

The Power Log-GARCH Model

Genaro Sucarrat (BI Norwegian School of Management) and Álvaro Escribano (Universidad Carlos III)

Discussant: Enrique Sentana (CEMFI)

Inference in Multivariate Dynamic Models with Elliptical Innovations

Dante Amengual (CEMFI) and Enrique Sentana (CEMFI)

Discussant: David Veredas (ECARES-University Libre de Bruxelles)

Disentangling Systematic and Idiosyncratic Risk for Large Panels of Assets

Matteo Barigozzi (ECARES-University Libre de Bruxelles), Christian Brownlees (University of Florence and New York University), Giampiero Gallo (University of Florence) and David Veredas (ECARES-University Libre de Bruxelles)

Discussant: Antonio Rubia (Universidad de Alicante)

13:00-14:30 LUNCH

14:30-16:30

Parallel Sessions (F3)

- **F3A Structural Credit Risk and Bankruptcy, Chairman: Alejandro Balbás (Universidad Carlos III)**

Room 4 (Floor 1)

Pseudo Maximum Likelihood Estimation of Structural Credit Risk Models with Exogeneous Default Barrier

Santiago Forte (ESADE) and Lidija Lovreta (CUNEF)

Discussant: Juan Mora (Universidad de Alicante)

Predicting Bankruptcy using Neural Networks in the Current Financial Crisis: A Study for US Commercial Banks

Félix López-Iturriaga (Universidad de Valladolid), Óscar López de Foronda (Universidad de Burgos) and Iván Pastor (Universidad de Burgos)

Discussant: Silvia Mayoral (Universidad Carlos III)

The GARCH Structural Credit Risk Model

Samuel Malone (Universidad de los Andes), Abel Rodríguez (University of California Santa Cruz) and Enrique Ter-Horst (Instituto de Estudios Superiores de Administración de Caracas and Euromed Management)

Discussant: Lidija Lovreta (CUNEF)

Does Gradual Diffusion of Information really Matter? The Bankruptcy Case

Luis Coelho (Universidad del Algarve)

Discussant: Natalia Utrero (Universidad de Girona)

● **F3B Interest Rates, Chairman: Carles Vergara-Alert (IESE Business School)**

Room 2 (Floor 1)

Predicting One Day-Ahead Equity Premium Using State Variable Estimates Obtained from the Yield Curve

Narayan Bulusu (IESE Business School)

Discussant: Genaro Sucarrat (BI Norwegian School of Management)

Derivatives Pricing under a New Macro-financial Square-root Process for the Term Structure Model

Federico Platania (Universidad de Castilla La Mancha) Manuel Moreno (Universidad de Castilla La Mancha)

Discussant: Javier Fernández-Navas (Universidad Pablo de Olavide)

Corporate Cost of Borrowing: TRACE on Syndicated Loans

Markus Fisher (Goethe University)

Discussant: Sergio Mayordomo (CNMV)

Linear and Nonlinear Interest Rate Sensitivity of Bank Stock Returns in Spain

Laura Ballester (Universidad de Castilla La Mancha), Román Ferrer (Universidad de Valencia) and Cristóbal González (Universidad de Valencia)

Discussant: Juan Nave (Universidad CEU Cardenal Herrera)

● **F3C Equity Pricing and Volatility Derivatives, Chairman: Tano Santos (Columbia University)**

Room 3 (Floor 1)

Valuation of VIX Derivatives

Javier Mencía (Banco de España) and Enrique Sentana (CEMFI)

Discussant: Ioannis Paraskevopoulos (Caja Madrid)

The Dynamic Relation between CDS Markets and the VIX Index

Isabel Figuerola (Universidad Carlos III) and Ioannis Paraskevopoulos (Caja Madrid)

Discussant: Dante Amengual (CEMFI)

The Price of Prospectives Lending: Evidence from Short Sale Constraints

Melissa Porras (Erasmus University)

Discussant: Pedro Saffi (IESE Business School)

Equity Lending Markets and Ownership Structure

Pedro Saffi (IESE Business School) and Jason Sturgess (Georgetown University)

Discussant: Melissa Porras (Erasmus University)

• **F3D Finance and Accounting, Chairman: Araceli Mora (Universidad de Valencia)**

Room 1 (Floor 0)

Disciplinary Sanctions and Audit Quality: Empirical Evidence from an External Oversight

Cristina de Fuentes (Universidad de Valencia), Manuel Illueca (Universidad Jaime I and IVIE) and María Pucheta-Martínez (IVIE)

Discussant: Araceli Mora (Universidad de Valencia)

Efficiency and Stock Performance: Evidence from an International Panel of Insurance Companies

María Rubio-Misas (Universidad de Málaga) and Dev Vencappa (Nottingham University)

Discussant: Mircea Epure (Universidad Pompeu Fabra)

Mark-to-market Accounting Implications for Banks Trading Portfolios

Silviu Glavan (Universidad de Navarra) and Marco Trombetta (IE Business School)

Discussant: Germán López-Espinosa (Universidad Pública de Navarra)

Banks' Net Interest Margin in the 2000s: A Macro-Accounting International Perspective

Germán López-Espinosa (Universidad de Navarra), Antonio Moreno (Universidad de Navarra) and Fernando Pérez de Gracia (Universidad de Navarra)

Discussant: Nuria Suárez (Universidad de Oviedo)

16:30-17:00 Coffee Break

17:00-18:00 Auditorium

Invited Conference: Fixing the Banking System

Pete Kyle (University of Maryland)