

IFSID 2017– SIXTH CONFERENCE ON DERIVATIVES
HÔTEL LE ST-SULPICE, MONTRÉAL, CANADA

KEYNOTE LECTURE BY PIETRO VERONESI, UNIVERSITY OF CHICAGO

Thursday – September 14, 2017

8:30 a.m. Registration

9:00 a.m. Greetings

Morning Chair: Christian Dorion, HEC Montreal

9:10 a.m. Forecasting the Distribution of Option Returns

by R. Israelov and B. Kelly

Bryan Kelly, University of Chicago

Discussion: Stephen Figlewski, NYU Stern

9:50 a.m. Return Attribution and Option Pricing: A New Framework

by P. Carr and L. Wu

Liuren Wu, Baruch College, CUNY

Discussion: Kris Jacobs, University of Houston

10:30 a.m. Coffee Break

11:00 a.m. (Almost) Model-Free Recovery

by P. Schneider and F. Trojani

Paul Schneider, University of Lugano, Swiss Finance Institute

Discussion: Peter Carr, NYU Polytechnic Institute

11:40 a.m. A Theory of Dissimilarity Between Stochastic Discount Factors

by G. Bakshi, X. Gao and G. Panayotov

Gurdip Bakshi, University of Maryland

Discussion: Irina Zviadadze, Stockholm School of Economics

12:30 p.m. Lunch

Afternoon Chair: Mathieu Fournier, HEC Montreal

2:00 p.m. How do Informed Investors Trade in the Options Market?*

by P. Augustin, M. Brenner, G. Grass and M.G. Subrahmanyam

Patrick Augustin, McGill University

Discussion: Neil Pearson, University of Illinois at Urbana-Champaign

2:40 p.m. Pre-Trade Hedging

by B. J. Henderson, N. D. Pearson and L. Wang

Brian Henderson, George Washington University

Discussion: Amber Anand, Syracuse University

3:20 p.m. Coffee Break

* Research sponsored by IFSID research grants

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- 3:50 p.m.** **The Informational Role of Index Option Trading**
by *T. Chordia, A. Kurov, D. Muravyev and A. Subrahmanyam*
Dmitriy Muravyev, Boston College
Discussion: *Sophie Xiaoyan Ni, HKUST Business School*
- 4:30 p.m.** **Does Private Information from Options Markets Forecast Aggregate Stock Returns?**
by *C.S. Jones, H. Mo and T. Wang*
Tong Wang, Virginia Tech
Discussion: *Jianfeng Hu, Singapore Management University*
- 5:15 p.m.** **Cocktail**
- 7:00 p.m.** **Conference Dinner** (program participants only)
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Friday – September 15, 2017

Morning Chair: Jan Ericsson, McGill University

- 9:10 a.m.** **Beta Risk in the Cross-Section of Equities^{*}**
by *A. Boloorforoosh, P. Christoffersen, M. Fournier and C. Gouriéroux*
Mathieu Fournier, HEC Montréal
Discussion: *Julien Penasse, Luxembourg School of Finance*
- 9:50 a.m.** **Bear Beta**
by *Z. Lu and S. Murray*
Scott Murray, Georgia State University
Discussion: *Christian Wagner, Copenhagen Business School*
- 10:30 a.m.** **Coffee Break**
- 11:00 a.m.** **Treasury Yield Implied Volatility and Real Activity**
by *M. Cremers, M. Fleckenstein and P. Gandhi*
Priyank Gandhi, University of Notre Dame
Discussion: *Vadim Elenev, Johns Hopkins University*
- 11:40 a.m.** **Variance Risk Premia on Stocks and Bonds**
by *P. Mueller, P. Sabtchevsky, A. Vedolin and P. Whelan*
Philippe Mueller, London School of Economics
Discussion: *Aurelio Vasquez, ITAM*
- 12:30 p.m.** **Lunch**
- 2:00 p.m.** Introduction by Pascal François, IFSID Director
Keynote Lecture by Pietro Veronesi, Chicago Booth
Option-Based Credit Spreads
- 3:30 p.m.** **Best Discussion Award & Closing Remarks**
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^{*} Research sponsored by IFSID research grants



IFSID 2016– FIFTH CONFERENCE ON DERIVATIVES
HÔTEL LE ST-SULPICE, MONTRÉAL, CANADA

KEYNOTE LECTURE BY KRIS JACOBS, UNIVERSITY OF HOUSTON

Thursday – September 15, 2016

9:00 a.m. Registration

9:30 a.m. Greetings

9:40 a.m. Option Return Predictability
by J. Cao, B. Han, Q. Tong and X. Zhan

Jie Cao, Chinese University of Hong Kong
Discussion: Aurelio Vasquez, ITAM

10:20 a.m. The Volatility Risk Premium and the Predictability of Index Option Returns
by G. Hu

Guanglian Hu, University of Houston
Discussion: David S. Bates, University of Iowa

11:00 a.m. Coffee Break

11:30 a.m. The Correlation Risk Premium: International Evidence*
by G. Faria, R. Kosowski and T. Wang

Gonçalo Faria, Católica Porto Business School
Discussion: Adrian Buss, INSEAD

12:10 p.m. What is the Expected Return on a Stock?
by I. Martin and C. Wagner

Christian Wagner, Copenhagen Business School
Discussion: Harjoat Bhamra, Imperial College London

1:00 p.m. Lunch

2:30 p.m. Credit-Implied Volatility
by B. Kelly, G. Manzo and D. Palhares

Diogo Palhares, AQR Capital Management
Discussion: Nicola Fusari, Johns Hopkins

3:10 p.m. Does the Introduction of One Derivative Affect Another Derivative? The Effect of Credit Default Swaps Trading on Equity Options*
by J. Cao, Y. Jin, N.D. Pearson and D.Y. Tang

Neil D. Pearson, University of Illinois at Urbana-Champaign
Discussion: Alessio Saretto, University of Texas at Dallas

3:50 p.m. Coffee Break

*Research sponsored by IFSID research grants



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- 4:20 p.m. The Real Effects of Credit Default Swaps**
by A. Danis and A. Gamba
Andras Danis, Georgia Institute of Technology
Discussion: Ehraz Refayet, OCC, U.S. Department of the Treasury
- 5:00 p.m. Why Do Investors Buy Sovereign Default Insurance?***
by P. Augustin, V. Sokolovski, M.G. Subrahmanyam and D. Tomio
Patrick Augustin, McGill University
Discussion: Jesse Schreger, Harvard Business School
- 5:45 p.m. Cocktail**
- 7:00 p.m. Conference Dinner** (program participants only)
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Friday – September 16, 2016

- 9:10 a.m. Extracting Latent States with High Frequency Option Prices**
by D. Amaya, J-F. Bégin and G. Gauthier
Diego Amaya, Wilfrid Laurier University
Discussion: Dmitriy Muravyev, Boston College
- 9:50 a.m. Equity Option Implied Probability of Default and Equity Recovery Rate**
by B-Y. Chang and G. Orosi
Bo-Young Chang, Bank of Canada
Discussion: Chayawat Ornthanalai, University of Toronto
- 10:30 a.m. Coffee Break**
- 11:00 a.m. Funding Illiquidity Implied by S&P 500 Derivatives**
by B. Golez, J. Jackwerth and A. Slavutskaya
Benjamin Golez, University of Notre Dame
Discussion: Jean-Sebastien Fontaine, Bank of Canada
- 11:40 p.m. Time-varying Crash Risk: The Role of Market Liquidity**
by P. Christoffersen, B. Feunou, Y. Jeon and C. Ornthanalai
Bruno Feunou, Bank of Canada
Discussion: Irina Zviadadze, Stockholm School of Economics & SHOF
- 12:30 p.m. Lunch**
- 2:00 p.m. Keynote Lecture – Kris Jacobs, University of Houston**
Volatility and Expected Option Returns
- 3:30 p.m. Best Discussion Award & Closing Remarks**
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*Research sponsored by IFSID research grants



IFSID 2015 – FOURTH CONFERENCE ON DERIVATIVES
HÔTEL LE ST-SULPICE, MONTRÉAL, CANADA

KEYNOTE LECTURE BY PIERRE COLLIN-DUFRESNE, EPFL, SFI

Friday – September 25, 2015

9:00 a.m. Registration

9:30 a.m. Greetings

9:40 a.m. Volatility Derivatives in Practice: Activity and Impact

by S. Mixon and E. Onur

Scott Mixon, Commodity Futures Trading Commission

Discussion: Liuren Wu, Baruch College, CUNY

10:20 a.m. Financial Innovation and Stock Market Participation*

by L. Calvet, C. Célérier, P. Sodini, and B. Vallée

Boris Vallée, Harvard Business School

Discussion: Andra Ghent, University of Wisconsin - Madison

11:00 a.m. Coffee Break

11:30 a.m. Counterparty Risk and Counterparty Choice in the Credit Default Swap Market

by W. Du, M.B. Gordy, S. Gadgil, and C. Vega

Wenxin Du, Federal Reserve Board

Discussion: Emil Siriwardane, Harvard Business School

12:10 p.m. Financial Oligopolies: Theory and Empirical Evidence from the Credit Default Swap Markets*

by L. Kryzanowski, S. Perrakis, and R. Zhong

Stylios Perrakis, Concordia University

Discussion: Andras Danis, Scheller College of Business, Georgia Tech

1:00 p.m. Lunch

2:30 p.m. Why Does Variance Risk Premium Change Sign from Day to Night?

by D. Muravyev and X. Ni

Dmitriy Muravyev, Boston College

Discussion: Mathieu Fournier, HEC Montreal

3:10 p.m. Funding Liquidity, Market Liquidity and the Cross-Section of Stocks Returns

by J.S. Fontaine, R. Garcia, and S. Gungor

Jean-Sébastien Fontaine, Bank of Canada

Discussion: Jaewon Choi, University of Illinois at Urbana-Champaign

3:50 p.m. Coffee Break

*Research sponsored by IFSID research grants (2013)



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- 4:20 p.m. Subjective Belief, Crash Perception, and Cross-Sectional Stock Return**
by G.P. Gao, Z. Song, and L. Yang
George P. Gao, Cornell University
Discussion: Aurelio Vasquez, Instituto Tecnológico Autónomo de México
- 5:00 p.m. Excess Volatility: Beyond Discount Rates**
by B. Kelly and S. Giglio
Brian Kelly, Chicago Booth
Discussion: Hitesh Doshi, University of Houston
- 6:00 p.m. Cocktail**
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Saturday – September 26, 2015

- 9:00 a.m. Informed Options Trading prior to M&A Announcements: Insider Trading?**
by P. Augustin, M. Brenner, and M. Subrahmanyam
Patrick Augustin, McGill University
Discussion: Chayawat Ornthanalai, Rotman School of Management, U. of Toronto
- 9:40 a.m. Why Does the Option to Stock Volume Ratio Predict Stock Returns?**
by L. Ge, T.S. Lin and N. Pearson
Neil D. Pearson, University of Illinois
Discussion: Benjamin Golez, University of Notre-Dame
- 10:20 a.m. When Options Market Disagrees**
by R. Goyenko and M. Fournier
Ruslan Goyenko, McGill University
Discussion: Michael Halling, Stockholm School of Economics/University of Utah
- 11:00 a.m. Coffee Break**
- 11:30 a.m. Volatility of Aggregate Volatility and Hedge Fund Returns**
by V. Agarwal, Y.E. Arisoy, and N.Y. Naik
Vikas Agarwal, Georgia State University
Discussion: Paul Schneider, Boston University and Swiss Finance Institute
- 12:10 p.m. Low Risk Anomalies?**
by P. Schneider, C. Wagner, and J. Zechner
Christian Wagner, Copenhagen Business School
Discussion: Christopher Hrdlicka, Foster School of Business, U. of Washington
- 1:00 p.m. Lunch**
- 2:30 p.m. Keynote Lecture – Shareholder Activism and Options**
Pierre Collin-Dufresne, EPFL, SFI
- 4:00 p.m. Best Discussion Award & Closing Remarks**
- 7:00 p.m. Conference Dinner** (program participants only)
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IFSID 2014 – THIRD CONFERENCE ON DERIVATIVES
HÔTEL LE ST-SULPICE, MONTRÉAL, CANADA

Keynote lecture by Francis Longstaff, UCLA Andersen School of Management

Thursday – September 25, 2014

- 8:00 a.m. Greetings**
- 8:15 a.m. The Term Structure of CDS Spreads and Sovereign Credit Risk**
by P. Augustin
Patrick Augustin, Desautels Faculty of Management, McGill
Discussion: Wenxin Du, Federal Reserve Board
- 9:00 a.m. Pricing Collateralized Debt Obligations using Macroeconomic Covariates**
by Y.S. Choi, H. Doshi, K. Jacobs and S. Turnbull
Hitesh Doshi, C.T. Bauer College of Business, University of Houston
Discussion: Batchimeg Sambalaibat, Price College of Business, U. of Oklahoma
- 9:45 a.m. Coffee Break**
- 10:15 a.m. Did Liquidity Providers Become Liquidity Seekers? Evidence from the CDS-Bond Basis during the 2008 Financial Crisis**
by J. Choi and O. Shachar
Jaewon Choi, University of Illinois at Urbana-Champaign
Discussion: Jean-Sébastien Fontaine, Bank of Canada
- 11:00 a.m. Transparency and Liquidity in the Structured Product Market[#]**
by N. Friewald, R. Jankowitsch and M.G. Subrahmanyam
Nils Friewald, WU (Vienna University of Economics and Business)
Discussion: Gunnar Grass, HEC Montreal
- 12:00 p.m. Lunch**
- 1:15 p.m. CoMargin[#]**
by J.A. Cruz Lopez, J.H. Harris, C. Hurlin and C. Pérignon
Jorge A. Cruz Lopez, Bank of Canada
Discussion: Anthony W. Lynch, Stern School of Business, NYU
- 2:00 p.m. Trading Cost Dynamics of Market Making in Equity Options**
by R. Goyenko, C. Ornthanalai and S. Tang
Ruslan Goyenko, Desautels Faculty of Management, McGill
Discussion: Dmitriy Muravyev, Boston College
- 2:45 a.m. Coffee Break**

[#]Research sponsored by IFSID research grants (2012)



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- 3:15 p.m. Option Trading Costs Are Lower Than You Think.**
by D. Muravyev and N.D. Pearson
Neil D. Pearson, University of Illinois at Urbana-Champaign
Discussion: Sophie Moinas, University of Toulouse 1 Capitole
- 4:00 p.m. Variance Risk Premium Dynamics in Equity and Option Markets**
by L. Barras and A. Malkhozov
Aytek Malkhozov, Desautels Faculty of Management, McGill
Discussion: Bo Young Chang, Bank of Canada
- 5:00 p.m. Cocktail**
- 7:00 p.m. Conference Dinner** (program participants only)
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Friday – September 26, 2014

- 8:15 a.m. Asymmetric Volatility Risk: Evidence from Option Markets**
by J. Jackwerth and G. Vilkov
Grigory Vilkov, Frankfurt School of Finance and Management
Discussion: Pascal Létourneau, University of Wisconsin–Whitewater
- 9:00 a.m. The Effects of Asymmetric Volatility and Jumps on the Pricing of VIX Derivatives**
by Y.H. Park
Yang-Ho Park, Federal Reserve Board
Discussion: Jaideep Oberoi, CASRI, University of Kent
- 9:45 a.m. Coffee Break**
- 10:15 a.m. Individual Stock Variance Risk Premium and Cross-Section of Stock Returns**
by B. Han and Y. Zhou
Bing Han, Rotman, University of Toronto
Discussion: Aurelio Vasquez, Instituto Tecnológico Autónomo de México
- 11:00 a.m. Exercise Boundary Violations in American-Style Options**
by R. Battalio, S. Figlewski and R. Neal
Robert Neal, Kelley School of Business, Indiana University
Discussion: Lars Stentoft, University of Western Ontario
- 12:00 p.m. Lunch**
- 1:15 p.m. Keynote Lecture – Deflation Risk**
Francis Longstaff, UCLA Andersen School of Management
- 2:45 p.m. Farewells**
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IFSID & BANK OF CANADA SECOND CONFERENCE ON DERIVATIVES:

TAIL RISK

HÔTEL LE ST-SULPICE, MONTRÉAL, CANADA

Thursday – September 19, 2013

- 8:00 a.m. Greetings**
- 8:15 a.m. Tail Risk and Asset Prices**
Bryan Kelly, Chicago Booth, University of Chicago
Discussion: Philippe Mueller, London School of Economics
- 9:00 a.m. Aggregate Jump and Volatility Risk in the Cross-Section of Stock Returns**
Martijn Cremers, Mendoza College of Business, Notre Dame
Discussion: Antonio Diez de los Rios, Bank of Canada
- 9:45 a.m. Coffee Break**
- 10:15 a.m. Dynamic Dependence in Corporate Credit**
Kris Jacobs, C.T. Bauer College of Business, University of Houston
Discussion: Dmitriy Muravyev, Boston College
- 11:00 a.m. Simple Variance Swaps**
Ian Martin, Stanford Graduate School of Business
Discussion: David Bates, Tippie College of Business, University of Iowa
- 12:00 p.m. Lunch**
- 1:00 p.m. Keynote: Current Issues in Managing Tail Risk**
Bennett W. Golub, Chief Risk Officer, BlackRock, inc.
Introduction by Tim Lane, Deputy Governor, Bank of Canada
- 2:30 p.m. Panel: Managing Tail Risk in Large Public Pension Funds**
Claude Bergeron, Chief Risk Officer, Caisse de dépôt
Jean-François Bureau, Chief Risk Officer, PSP Investments
David Long, Chief Investment Officer, HOOPP
Andrew Spence, Managing Director Portfolio Strategy, OMERS
Moderator: Paul Chilcott, Bank of Canada
- 5:00 p.m. Cocktail**
- 7:00 p.m. Dinner hosted by Tim Lane, Deputy Governor, Bank of Canada**
(by invitation only)
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IFSID & BANK OF CANADA SECOND CONFERENCE ON DERIVATIVES:

TAIL RISK

HÔTEL LE ST-SULPICE, MONTRÉAL, CANADA

Friday – September 20, 2013

- 8:15 a.m. Crash Risk in Currency Markets**
Samuel P. Fraiberger, New York University
Discussion: Isaac Kleshchelski, Olin Business School
- 9:00 a.m. Crash Risk in Currency Returns**
Irina Zviadadze, Stockholm School of Economics
Discussion: Zhaogang Song, Federal Reserve Board
- 9:45 a.m. Coffee Break**
- 10:15 a.m. Variance Risk Premiums and the Forward Premium Puzzle**
Juan M. Londono, Federal Reserve Board
Discussion: Chayawat Ornthanalai, Rotman, University of Toronto
- 11:00 a.m. Do Investors Believe in Euro-Area Interventions? An Options-based Risk Approach**
Mary Tian, Federal Reserve Board
Discussion: Patrick Augustin, Desautels Faculty of Management, McGill
- 12:00 p.m. Lunch**
- 1:00 p.m. Keynote Lecture**
Michael Johannes, Columbia Business School
- 2:30 p.m. Inventory Risk and the Variance Risk Premium**
Mathieu Fournier, Rotman School of Management, University of Toronto
Discussion: Aytek Malkhozov, Desautels Faculty of Management, McGill
- 3:15 p.m. Volatility of Volatility and Tail Risk Premiums**
Yang-Ho Park, Federal Reserve Board
Discussion: Bruno Feunou, Bank of Canada
- 4:00 p.m. Farewells**
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IFSID'S FIRST CONFERENCE ON STRUCTURED PRODUCTS AND DERIVATIVES

Friday – October 12, 2012

- 3:30 p.m. Greetings**
- 3:45 p.m. Understanding Equity Options**
Peter Christoffersen, Rotman School of Management, U. of Toronto
Discussion: Jean-Sébastien Fontaine, Bank of Canada
- 4:30 p.m. Coffee Break**
- 4:45 p.m. Time-varying asset volatility and the credit spread puzzle**
Jan Ericsson, Desautels Faculty of Management, McGill University
Discussion: Adlai Fisher, Sauder School of Business, U. of British Columbia
- 5:30 p.m. Coffee Break**
- 5:45 p.m. Volatility Forecasting and Explanatory Variables: A Tractable Bayesian Approach to Stochastic Volatility**
Christian Dorion, HEC Montreal
Discussion: Carole Bernard, Statistics and Actuarial Science, U. of Waterloo
- 6:30 p.m. Cocktail**

Saturday – October 13, 2012

- 8:00 a.m. Breakfast**
- 9:00 a.m. Dynamic Jumps Intensities in the Crude Oil Market**
Kris Jacobs, C.T. Bauer College of Business, University of Houston
Discussion: Pascal François, HEC Montreal
- 9:45 a.m. Coffee Break**
- 10:00 a.m. Affine Jump Term Structure Models: Expectation Puzzles and Conditional Volatility**
Haitao Li, Stephen M. Ross School of Business, University of Michigan
Discussion: Philippe Mueller, London School of Economics
- 10:45 a.m. Coffee Break**
- 11:00 a.m. Intraday Volatility and Crash Risk Evolution**
David Bates, Henry B. Tippie College of Business, University of Iowa
Discussion: Andrea Vedolin, London School of Economics
- 11:45 a.m. Lunch**



Saturday – October 13, 2012

- 1:30 p.m. Keynote Lecture**
Steven L. Heston, R.H. Smith School of Business, University of Maryland
- 3:00 p.m. Coffee Break**
- 3:30 p.m. Too-Systemic-To-Fail: What Option Markets Imply About Sector-Wide Government Guarantees**
Bryan Kelly, Chicago Booth, University of Chicago
Discussion: Hitesh Doshi, C.T. Bauer College of Business, U. of Houston
- 4:15 p.m. Coffee Break**
- 4:30 p.m. Credit Derivatives and Earnings Announcements**
Fan Yu, R. Day School of Econ. and Finance, Claremont McKenna College
Discussion: Alexandre Jeanneret, HEC Montreal
- 5:15 p.m. Coffee Break**
- 5:30 p.m. Are credit ratings still relevant?**
Chay Ornthanalai, Rotman School of Management, U. of Toronto
Discussion: Hugues Langlois, Desautels, McGill University
- 7:00 p.m. Conference Dinner**

Sunday – October 14, 2012

- 8:00 a.m. Breakfast**
- 9:00 a.m. Overpricing, Short Sale Constraints, and Single Stock Futures Listings**
Louis Gagnon, School of Business, Queen's University
Discussion: Bo-Young Chang, Bank of Canada
- 9:45 a.m. Coffee Break**
- 10:00 a.m. Hedging Activity in Fixed Income Markets**
Aytek Malkhozov, Desautels, McGill University
Discussion: Mathieu Fournier, Rotman School of Management, U. of Toronto
- 10:45 a.m. Coffee Break**
- 11:00 a.m. If We Can Simulate It, We Can Insure It: An Application to Longevity Risk Management**
Lars Stentoft, HEC Montreal; Copenhagen Business School
Discussion: Enrico Biffis, Imperial College London
- 11:45 a.m. Farewells**