

# **14th OxMetrics User Conference**

**Thursday March 20–Friday March 21, 2014**

Department of Economics, George Washington University  
Washington, D.C. 20052 U.S.A.

Co-chairs: Neil R. Ericsson and Frederick L. Joutz

## **Locations**

(Thursday March 20)

Rooms 405 and 407, Marvin Center, George Washington University  
800 21st Street NW, Washington, DC 20052 U.S.A.

(Friday March 21)

Jack Morton Auditorium, MPA Building, George Washington University  
805 21st Street NW, Washington, DC 20052 U.S.A.

## **Acknowledgements**

We are deeply grateful for support from the following institutions.

[Department of Economics](#), The George Washington University

[Research Program on Forecasting](#), The George Washington University

[Elliott School of International Affairs](#), The George Washington University

[Institute for International Economic Policy](#), The George Washington University

[Timberlake Consultants UK](#)

In addition, we wish to acknowledge the following people, who were invaluable in the preparations for and the running of this conference.

Michael Browne

David Corbett

Noelia Januario

Mira Selim

Teresa Timberlake

Ashley Williams

## **Program Committee**

Neil R. Ericsson (co-chair)

Frederick L. Joutz (co-chair)

Jennifer L. Castle

Jurgen A. Doornik

Niels Haldrup

David F. Hendry

Siem Jan Koopman

Sébastien Laurent

Tara M. Sinclair

Giovanni Urga

## **Local Organizing Committee**

Neil R. Ericsson

Frederick L. Joutz

Kyle Renner

Amy Guisinger

# Conference Program

**Thursday, March 20, 2014 [Rooms 405 and 407, Marvin Center]**

8:30-9:00am      **Registration, and coffee/tea/pastries**

9:00-10:00am      **Session 1: Empirical Economic Modeling**

Chairperson: Neil R. Ericsson

Announcements: Neil R. Ericsson and Frederick L. Joutz (co-chairs)

David F. Hendry\* (INET Oxford and University of Oxford)

“Empirical Economic Model Discovery and Theory Evaluation”

10:00-10:30am      **Coffee/Tea Break**

10:30am-12noon      **Session 2: General-to-specific Modeling**

Chairperson: Andrew Powell

Hildegart Ahumada\* (Di Tella University) and Magdalena Cornejo

“Joint Modeling of the Effect of Commodity Prices on Exports and the Real Exchange Rate: The Case of Argentina”

Simon J. Hviid\* (Aarhus University), Tom Engsted, and Thomas Q. Pedersen

“Housing Bubbles in the OECD Area: An Econometric Analysis”

Rodrigo Mariscal and Andrew Powell\* (IADB)

“Commodity Price Booms and Breaks: Detection, Magnitude and Implications for Developing Countries”

12noon-12:10pm      **Welcoming Remarks:** Barry R. Chiswick (Chair, Dept. of Economics, GWU)

12:10-1:30pm      **Lunch and Poster Session** (posters listed below)

Antonio Alleyne, Derek Gibbs, Fred Joutz\* (GWU and KAPSARC), and Kimberly Waithe  
“Empirical Modeling in Barbados”

G. Nathan Dong\* (Columbia University)

“Mortgage Securitization, Housing Market and Real Output: A Time-series Causality Test using Structural VAR”

Jean-Yves Gnabo, Lyudmyla Hvozdyk, and Jérôme Lahaye\* (Fordham University)

“System-wide Tail Comovements: A Bootstrap Test for Cojump Identification on the S&P 500, US Bonds and Exchange Rates”

Janet A. Levy\* (Duke University), Diane Holditch-Davis, and Robin B. Knobel

“Can State Space Models Capture Trends Where Slope Parameters Are Logistic Functions of Time?”

Emerson Fernandes Marçal\* (Sao Paulo School of Economics and CSSA-Mackenzie),

Beatrice Zimmermann, Diogo de Prince, and Giovanni Merlin

“Assessing Interdependence Among Countries’ Fundamentals and Its Implications for Exchange Rate Misalignment Estimates: An Empirical Exercise Based on GVAR”

Nikolaos Zirogiannis\* (Indiana University) and Yorghos Tripodis\* (Boston University)

“Dynamic Factor Analysis for Panel Data: A Generalized Model”

1:30-2:30pm      **Session 3: Ana Timberlake Memorial Lecture**

Chairperson: Giovanni Urga

Introduction: David Corbett, Giovanni Urga, Frederick L. Joutz, Neil R. Ericsson

Katarina Juselius\* (University of Copenhagen and INET Centre for IKE)

“Haavelmo’s Probability Approach and the Cointegrated VAR”

2:30-3:00pm           **Coffee/Tea Break**

3:00-4:30pm           **Session 4: Federal Funds and Treasury Markets**

Chairperson: Daniel Beltran

Jaime Marquez\* (SAIS) and Conor Foley

“Measuring Flight-to-Safety in Foreign Private Net Purchases of U.S. Treasury Securities”

Dick van Dijk, Robin L. Lumsdaine\* (American University, NBER), and Michel van der Wel

“Clarity or Confusion? Market Set-up in the Run-up to Federal Reserve Policy Rate Decisions”

Daniel Beltran\* (Federal Reserve Board), Valentin Bolotnyy, and, Elizabeth Klee

“ ‘Un’ Networking: The Evolution of Networks in the Federal Funds Market”

4:30-4:50pm           **Coffee/Tea Break**

4:50-6:00pm           **Session 4: Round Table with OxMetrics Developers**

Chairperson: Frederick L. Joutz

Jurgen A. Doornik (INET Oxford and University of Oxford)

David F. Hendry (INET Oxford and University of Oxford)

Siem Jan Koopman (VU University Amsterdam)

Sébastien Laurent (Aix-Marseille Université)

6:30pm               **Reception and Conference Dinner at Aroma Restaurant**

1919 “I” Street, NW (pink awning), 2nd floor, (202) 833-4700

## **Friday, March 21, 2014 [Jack Morton Auditorium, MPA Building]**

8:30-9:00am           **Coffee/tea/pastries**

9:00-10:00am       **Session 5: Algorithmic Model Search**

Chairperson: Jurgen A. Doornik

Søren Johansen\* (University of Copenhagen and Aarhus University) and Bent Nielsen

“Asymptotic Analysis of the Forward Search”

Jurgen A. Doornik\* (INET Oxford and University of Oxford)

“Some Observations on Automatic Model Selection”

10:00-10:30am       **Coffee/Tea Break**

10:30am-12noon      **Session 6: Extensions and Applications of Impulse Indicator Saturation**

Chairperson: Felix Pretis

Neil R. Ericsson\* (Federal Reserve Board and GWU), Stedman B. Hood\* (PlateJoy), Fred

Joutz\* (GWU and KAPSARC), Tara M. Sinclair, and Herman O. Stekler

“Greenbook Forecasts and the Business Cycle”

Oleg I. Kitov\* (INET Oxford and University of Oxford) and Morten Nyboe Tabor

“Detecting Structural Changes in Linear Models: A Variable Selection Approach using Multiplicative Indicator Saturation”

Felix Pretis\* (University of Oxford), Lea Schneider, and Jason E. Smerdon

“Detecting Volcanic Eruptions and Breaks of Any Other Shape using Indicator Saturation”

12noon-1:30pm      **Lunch and Poster Session** (posters listed below)  
Klaus Abberger, Michael Graff, Boriss Siliverstovs\* (KOF Swiss Economic Institute), and Jan-Egbert Sturm  
    “The KOF Barometer, version 2014: A Composite Leading Indicator for the Swiss Business Cycle”  
Saheed Layiwola Bello\* (University of Surrey)  
    “Impact of US Crude Oil Inventory on West Texas Intermediate (WTI) Crude Oil Prices using the Structural Dynamic Model”  
Daliah M. Bendary\* (University of Lancaster)  
    “A Comparative Analysis of Parametric and Discrete Time Mixture Models in Forecasting Portfolio Credit Risk: An Application to UK Private Firms”  
Ingo Bordon\* (German Development Institute), J. James Reade, and Ulrich Volz  
    “A New Measure of Business Cycle Concordance”  
Amy Y. Guisinger\* (GWU) and Tara M. Sinclair  
    “Trends and Cycles in the U.S. Labor Market”  
Johannes Tang Kristensen\* (University of Southern Denmark)  
    “Diffusion Indexes with Sparse Loadings”  
Motasam Tatahi\* (Regent's University London), Emre Ipekci Cetin, and M. Koray Cetin  
    “The Cause of Higher Economic Growth: Assessing the Long-term and Short-term Relationship Between Economic Growth and Government Expenditure”

1:30-3:00pm      **Session 3: Models in Finance**  
Chairperson: Giovanni Urga  
Siem Jan Koopman\* (VU University Amsterdam), Rutger Lit, and André Lucas  
    “The Dynamic Skellam Model with Applications”  
Kris Boudt, Sébastien Laurent\* (Aix-Marseille Université), Asger Lunde, and Rogier Quaedvlieg  
    “Positive Semidefinite Integrated Covariance Estimation, Factorizations and Asynchronicity”  
Martin Belvisi, Riccardo Pianeti, and Giovanni Urga\* (Cass Business School)  
    “Modelling Financial Markets Comovements: A Dynamic Multi-factor Approach”

3:00-3:30pm      **Coffee/Tea Break**

3:00-5:00pm      **Session 8: Robust Forecasting**  
Chairperson: Jennifer L. Castle  
Dobrislav Dobrev\* (Federal Reserve Board) and Ernst Schaumburg  
    “Robust Forecasting by Regularization”  
Haichun Ye, Richard Ashley, and John Guerard\* (McKinley Capital Management)  
    “Post-sample Granger Causality Analysis: A New (Relatively) Large-scale Exemplar”  
Jennifer L. Castle\* (Magdalen College and INET Oxford), Michael P. Clements, and David F. Hendry  
    “Robust Approaches to Forecasting”

5:00-5:10pm      **Closing Remarks** (Conference organizers)

6:30pm            **Conference Farewell Dinner** (light buffet)  
[Contact Noelia Januario (Timberlake Consultants) for details.]

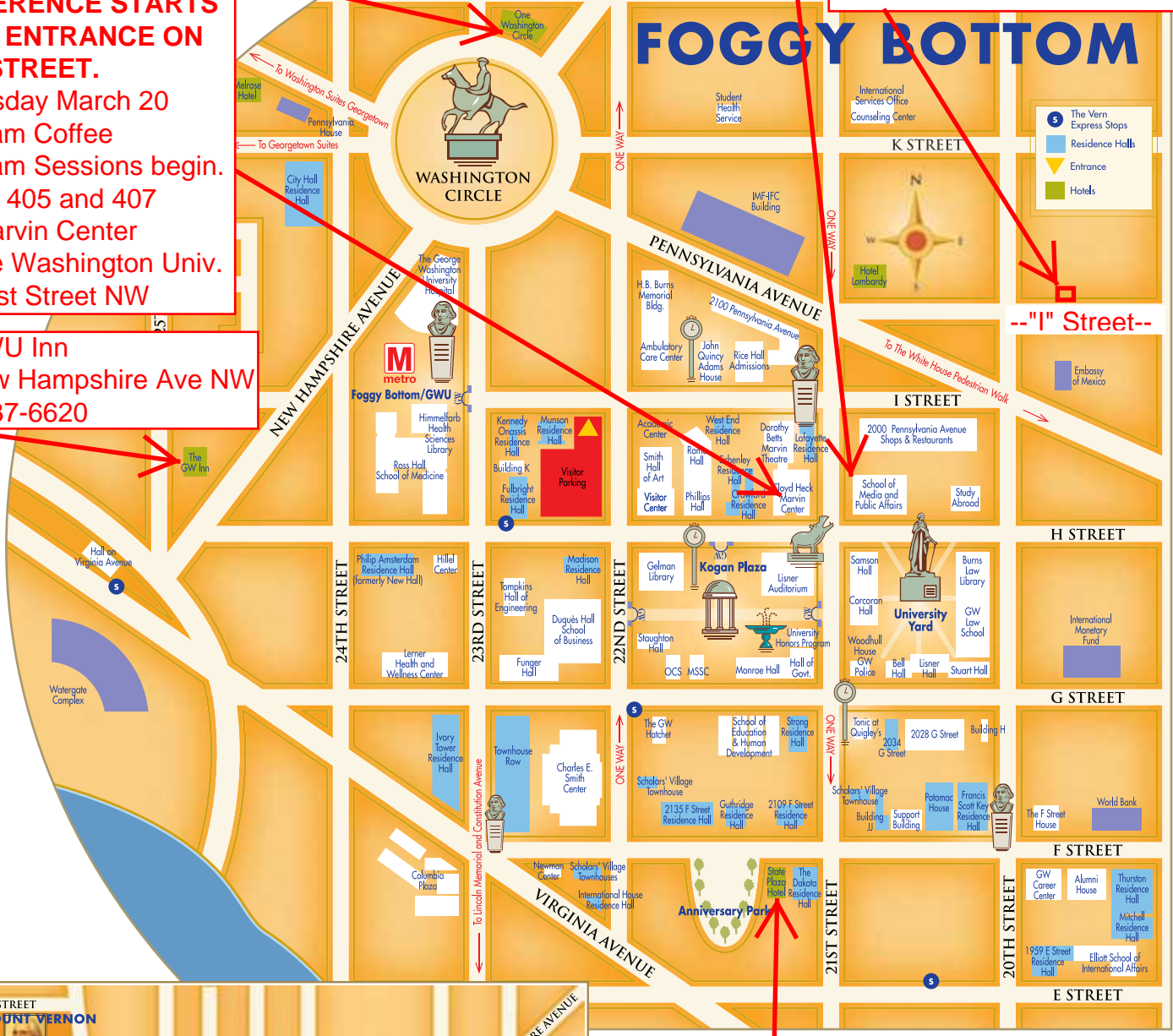
One Washington Circle Hotel  
1 Washington Circle NW  
(202) 872-1680

CONFERENCE, Friday March 21  
Jack Morton Auditorium  
MPA Building, 805 21st Street NW  
8:30 coffee / 9:00am start

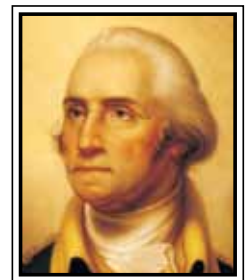
Aroma Restaurant, 2nd floor  
(202) 833-4700  
1919 "I" Street NW (pink awning)  
Conference reception & dinner  
Thursday March 20, 6:30pm

CONFERENCE STARTS  
HERE: ENTRANCE ON  
21ST STREET.  
Thursday March 20  
8:30am Coffee  
9:00am Sessions begin.  
Rooms 405 and 407  
The Marvin Center  
George Washington Univ.  
800 21st Street NW

The GWU Inn  
824 New Hampshire Ave NW  
(202) 337-6620



State Plaza Hotel  
2117 "E" Street NW  
(202) 861-8200



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