16th Annual Derivatives Securities and Risk Management Conference

A conference sponsored by
Cornell University's Johnson Graduate School of Management
Federal Deposit Insurance Corporation Center for Financial Research
University of Houston's Bauer College of Business

Order hard copy of conference papers

All Links on this page reference Portable Document Format (PDF) files. Adobe Acrobat, a reader available for free on the Internet, is required to display or print PDF files. You may also request a printed copy of this document.

Friday, April 7, 2006

7:30 – 8:15	**Registration and Continental Breakfast**
8:15 – 8:30	**Opening Remarks**
8:30– 10:00	**SESSION ONE: CREDIT RISK I**
	Modeling the Term Structure of Defaultable Bonds under Recovery Risk Lotfi Karoui, McGill University
	Restructuring Risk in Credit Default Swaps: An Empirical Analysis Antje Berndt, Carnegie Mellon University, Robert A. Jarrow – ChoongOh Kang, Cornell University
	Joint Estimation of Default and Recovery Risk: A Simulation Study Jens H. E. Christensen, Copenhagen Business School
10:000 – 10:30	--- Coffee Break ---
10:30 – 12:00	**SESSION TWO: CREDIT RISK II**
	Are Longer Bankruptcies Really More Costly? Daniel M. Covitz – Song Han – Beth Anne Wilson, Federal Reserve Board
	Feedback Effects of Rating Downgrades Andras Fulop, University of Toronto
	The Pricing of Portfolio Credit Risk Nikola Tarashev – Haibin Zhu, Bank for International Settlements
12:00 – 1:30	--- Lunch ---

1:30 – 3:00 **SESSION THREE: EMPIRICAL STUDIES I**

Is Systematic Risk Priced in Options?
Jin-Chuan Duan – Jason Wei, University of Toronto

An Empirical Comparison of Affine and Non-Affine Models for Equity Index Options
Peter Christoffersen – Kris Jacobs – Karim Mimouni, McGill University

Nonparametric Interest Rate Cap Pricing and Implications for the "Unspanned Stochastic Volatility" Puzzle
Tao L. Wu, State University of New York at Buffalo

3:00 – 3:30 --- Coffee Break ---

3:30 – 5:00 **SESSION FOUR: EMPIRICAL STUDIES II**

Specification Analysis of Structural Models Using Term Structure of CDS Spreads and Equity Volatility from High Frequency Data
Jing-zhi Huang, Penn State University, Hao Zhou, Federal Reserve Board

Liquidity, Liquidity, Spillover, and Credit Default Swap Spreads
Dragon Y. Tang, Kennesaw State University, Hong Yan, University of Texas at Austin
and SEC

The Information Content of Option-Implied Volatility for Credit Default Swap Valuation
Charles Cao – Zhaodong Zhong , Pennsylvania State University, Fan Yu, University of California Irvine

5:00 – 6:30 --- Reception ---

Saturday, April 8, 2006

7:30 – 8:15 --- Continental Breakfast ---

8:15– 9:45 **SESSION FIVE: ISSUES IN PRICING I**

Estimating Preferences Toward Risk: Evidence from Dow Jones
Douglas W. Blackburn – Andrey D. Ukhov, Indiana University

Information-Based Asset Pricing
Dorje C. Brody, Imperial College, Lane P. Hughston – Andrea

Macrina, King's College

General Equilibrium with Stochastic Volatility and Jumps
Nicole Branger, University of Southern Denmark, Christian Schlag – Eva Schneider, Goethe Universit

9:45 – 10:00 --- Coffee Break ---

10:00 – 12:00 **SESSION SIX: ISSUES IN PRICING II**

A Dynamic Programming Procedure for Pricing CDS and CDS Options
Hatem B. Ameur, HEC Montreal, Damiano Brigo, Banca IMI, Eymen Errais, Stanford University

A General Characterization of the Early Exercise Premium
João P. V. Nunes, CEMAF/ISCTE

Pricing an Option on a Non-Decreasing Asset Value: An Application to Movie Revenue
Don M. Chance – Eric Hillebrand – Jimmy E. Hilliard, Louisiana State University

A Simple Model for Time-Varying Expected Returns on the S&P 500 Index
James S. Doran, Florida State University, Ehud I. Ronn, University of Texas at Austin, Robert S. Goldberg, Adelphi University

12:00 – 12:15 **Closing Remarks**