

20th Annual Derivatives Securities and Risk Management Conference

April 9 – 10, 2010

L. William Seidman Center

Hove Auditorium

Arlington, Virginia

Sponsored by Federal Deposit Insurance Corporation's Center for Financial Research

Cornell University's Johnson Graduate School of Management

University of Houston's Bauer College of Business

Friday, April 9, 2010

8:00-8:25 **Registration & Continental Breakfast**

8:25–8:30 **Welcoming Remarks**

8:30–10:00 **Credit Risk I**

The CDS/Bond Basis and the Cross Section of Corporate Bond Returns

Gi Hyun Kim, **Haitao Li**, University of Michigan and **Weina Zhang**, National University of Singapore

Realized Volatility, Liquidity, and Corporate Yield Spreads

Marco Rossi, Penn State University

Determinants of Bond Risk Premia

Jing-zhi Huang, Penn State University, and **Zhan Shi**, Penn State University

10:00-10:30 -- Coffee Break --

10:30-12:00 **Issues in Equity Options**

Risk Aversion, Volatility Risk Premium, and the Cross-Section of Stock Returns

Alper Corlu, **Citigroup**, **Yawei Yang**, and **Yildiray Yildirim**, Syracuse University

Idiosyncratic Volatility and Stock Returns: Does Option Trading Reduce Stock Market Mispricing?

Redouane Elkamhi, University of Iowa, **Yong Lee**, McGill University, and **Tong Yao**, University of Iowa

The Price Impact of Large Hedging Trades

Brian Henderson, George Washington University, and **Neil Pearson**, University of Illinois

12:00-1:30 -- Lunch --

1:30-3:00 **Commodity Markets I**

Determinants of Trading Profits of Individual Traders: Risk Premia or Information?

Michaël Dewally, Marquette University, **Louis Ederington**, University of Oklahoma, and **Chitru Fernando**, University of Oklahoma

Hedge Funds, Stress, and Cross-Market Linkages

Bahattin Büyüksahin, Commodity Futures Trading Commission, and **Michel Robe**, American University

Inventory Announcements, Jump Dynamics and Volatility in U.S. Energy Futures Markets

Johan Bjursell, Ronin Capital, LLC, **James Gentle**, George Mason University, and **George Wang**, George Mason University

3:00-3:30 -- Coffee Break --

3:30-5:00 **Issues in Equity Options II**

On the Use of Options by Mutual Funds: Do They Know What They Are Doing?

Gjergji Cici, William and Mary, and **Luis-Felipe Palacios**, University of Pennsylvania

Option Returns and Individual Stock Volatility

Jie Cao, Chinese University of Hong Kong, and **Bing Han**, University of Texas at Austin

Market jump risk and the price structure of individual equity options

Redouane Elkamhi, University of Iowa, and **Chayawat Ornthanalai**, Georgia Institute of Technology

5:30-7:00 -- Reception --

Saturday, April 10, 2010

8:30-9:00 -- Continental Breakfast --

9:00-10:00 **Risk Management Issues**

How Well Does the Vasicek Based AIRB Model Fit the Data?

Paul Kupiec, Federal Deposit Insurance Corporation

Valuing the Treasury's Capital Assistance Program

Paul Glasserman, Columbia University, and **Zhenyu Wang**, Federal Reserve Bank of New York

Credit Contagion and the Amplification of the Crisis of 2007 – 2009

Susan Shan, University of Hong Kong, **Dragon Tang**, University of Hong Kong, and **Sarah Wang**, University of Hong Kong

10:00-10:30 -- Coffee Break --

10:30-12:00 **Credit Risk II**

Credit ratings and credit Risk

Jens Hilscher, Brandeis University, and **Mungo Wilson**, Oxford University

Unobservable Systematic Risk Factor and Default Prediction

Min Qi, Office of the Comptroller of the Currency, **Xiaofei Zhang**, Office of the Comptroller of the Currency, and **Xinlei Zhao**, Office of the Comptroller of the Currency

Credit Default Swap Spreads and Variance Risk Premia

Hao Wang, Tsinghua University, **Hao Zhou**, Federal Reserve Board, and **Yi Zhou**, University of Oklahoma

12:00 -- Adjournment – box lunch available --