Program MEG 2006

Friday, October 6, 2006

12:00 – 5:00 pm Registration
Tangeman University Center (TUC), 4th Floor

1:00 – 1:30 pm Welcome
Welcoming Address
TUC 417

1:30 – 3:30 Parallel Sessions

Session 1: Estimation
TUC 400A
Session Chair: Emma Iglesias

“Simultaneous Selection and Weighting of Moments in GMM using a Trapezoidal Kernel” by **Ivan Canay** (University of Wisconsin)

“Identification and Estimation of Causal Mechanisms and Net Effects of a Treatment” by **Carlos Flores** (University of Miami) and Alfonso Flores-Lagunes (University of Arizona)

“An Almost Unbiased Estimator in Simultaneous Equations Models with Strong and/or Weak Instruments” by **Emma Iglesias** (Michigan State University) and Garry Phillips (Cardiff University)

Session 2: Forecasting
TUC 427
Session Chair: Matthew Higgins

“Wavelet- and SVM-Based Forecasting Models” **Viviana Fernandez** (University of Chile)

“Optimal Prediction Under LINLIN Loss: Empirical Evidence” by **Yasemin Ulu** (St. Cloud State University)

“Optimal Forecasting under a Mean Absolute Percentage Error Criterion” by **Matthew Higgins** (Western Michigan University)

Session 3: Applied Econometrics I
TUC 400B
Session Chair: Rusty Tchernis

"Real Exchange Rates and Real Interest Differentials for Sectoral Data: A Dynamic SUR Approach" by **Jaebeom Kim** (Oklahoma State University)

"Nonstationary Panel Data Analysis of the Long-run Relationship Between Housing Wealth and Consumption" **David Rapach** (Saint Louis University) and Jack Strauss (Saint Louis University)

"On the Specification of Propensity Scores: with an Application to the WTO-Environment Debate" by Daniel Millimet (Southern Methodist University) and **Rusty Tchernis** (Indiana University)

Session 4: Semiparametric and Nonparametric Methods I
TUC 400C
Session Chair: Martin Burda

"Nonparametric Inferences on Conditional Quantile Processes" by **Chuan Goh** (University of Toronto)

"Finite Sample Performance of Kernel-Based Regression Methods For Nonparametric Additive Models Under Common Bandwidth Selection Criterion" by Carlos Martins-Filho (Oregon State University) and **Ke Yang** (Alfred University)

"Smoothed Empirical Likelihood under Semiparametric Conditional Moment Restrictions" by **Martin Burda** (University of Pittsburgh)

3:30 – 4:00 pm Break
TUC 4th Floor

4:00 – 5:30 Parallel Sessions

Session 5: Time Series Econometrics I
TUC 400B
Session Chair: Richard Baillie

"“Long Memory” Versus Fractional Integration in a Time Series: Implications for Modeling” by **Richard Ashley** (VPI) and Douglas Patterson (VPI)

“A Random Coefficients Autoregressive Model with Exogenously-Driven Stochastic Unit Roots” by **Isaac Miller** (University of Missouri)

“Nonlinear Models with Strongly Dependent Processes and Applications to Forward Premia and Real Exchange Rates” by **Richard Baillie** (Michigan State University) and George Kapetanios (Queen Mary University of London)

Session 6: Econometric Theory I
TUC 427
Session Chair: William Greene

“Semiparametric Estimation of Binary Choice and Transformation Models with Sample Selection and Endogenous Regressors” by **Jason Abrevaya** (Purdue University), Jerry Hausman (MIT) and Shakeeb Khan (University of Rochester)

“Nonlinear Panel Data Models with Selection under a Strict Exogeneity Assumption” by **Kamyar Nasseh** (Michigan State University)

“A General Approach to Incorporating Selectivity in a Model” by **William Greene** (New York University)

Session 7: Information
TUC 400A
Session Chair: Avanish Bhati

“Information-Theoretic Approximation of Small Sample Distributions” by **Ximing Wu** (Texas A&M University) and Suojin Wang (Texas A&M University)

“To Combine Forecasts or to Combine Information?” by **Huiyu Huang** (University of California, Riverside) and Tae-Hwy Lee (University of California, Riverside & California Institute of Technology)

“Modeling Judicial Discretion: An Information-Theoretic Approach” by **Avinash Bhati** (The Urban Institute)

Session 8: Applied Econometrics II
TUC 400C
Session Chair: David Rapach

“Conditional Volatility and Distribution of Exchange Rates: GARCH and FIGARCH Models with NIG Distribution” by **Rehim Kilic** (Georgia Institute of Technology)

“Heterogeneous Price Stickiness Across Consumption Goods and the Relative Price and Quantity Effects of Monetary Shocks” by **David Rapach** (Saint Louis University)

Reception 6:00 – 6:30 pm
The Faculty Club

Dinner 6:30 pm

Dinner Presentation
Remarks and Introduction of Speaker

Bruce Hansen, University of Wisconsin
Title: “Model Averaging”

Saturday, October 7, 2006

8:00 – 12:00 Registration
Tangeman University Center (TUC) 4th Floor

7:30 – 8:30 Breakfast

8:30 – 10:00 Parallel Sessions
Tangeman University Center, 4th Floor

Session 9: Bootstrapping
TUC 400A
Session Chair: Timothy Vogelsang

"An Improved GMM Bootstrap for Time Series with a Nonparametric Prewhitened Covariance Estimator" by **Masayuki Hirukawa** (Concordia University and CIREQ)

"On the Bootstrap of the Maximum Rank Correlation Estimator" by **Viktor Subbotin** (Northwestern University)

"Block Bootstrap HAC Robust Tests: The Sophistication of the Naïve Bootstrap" by Silvia Concalves (Universite de Montreal) and **Timothy Vogelsang** (Cornell University)

Session 10: Structural Change I
TUC 400C
Session Chair: Todd Clark

"Factors Affecting Rural Bank Consolidation and Structural Change" by **Lakshmi Balasubramanyan** (Pennsylvania State University), Jeffrey Stokes (Pennsylvania State University) and Spiro Stefanou (Pennsylvania State University)

"Trend-Cycle Correlation, Drift Break and the Estimation of Trend and Cycle in Canadian GDP" by **Arabinda Basistha** (West Virginia University)

"Forecasting with Small Macroeconomic VARs in the Presence of Instabilities" **Todd Clark** (Federal Reserve Bank of Kansas City) and Michael McCracken (Board of Governors of the Federal Reserve System)

Session 11: Econometric Theory II
TUC 400B
Session Chair: Juan Carlos Escanciano

"Optimal Locally Size-Robust Specification Tests" by **Gabriel Montes Rojas** (University of Illinois at Urbana-Champaign)

"Asymptotically Optimality of Empirical Likelihood for Selecting Moment Restrictions" by **Taisuke Otsu** (Yale University)

"Asymptotically Optimal Tests For Single-Index Models with a Focus on Average Partial Effects" by **Juan Carlos Escanciano** (Indiana University) and Kyungchul Song (University of Pennsylvania)

Session 12: Financial Econometrics I
TUC 427
Session Chair: Anil Bera

"Empirical Analysis of Volatility Dynamics in High Frequency Returns with a Time-Varying Component Model" by **Kasing Man** (Western Illinois University) and Chunchi Wu (Syracuse University)

"Diagnostic Testing for Time Series Volatility Models" by Yongmiao Hong (Cornell University) and **Yoon-Jin Lee** (Indiana University)

"Scalar Measures of Volatility and Dependence for the Multivariate Models of Financial Markets" Sangwhan Kim (Chungbuk National University) and **Anil Bera** (University of Illinois at Urbana-Champaign)

10:00 – 10:30 Break
TUC 4th Floor

10:30 – 12:00 Parallel Sessions
Tangeman University Center, 4th Floor

Session 13: Structural Change II
TUC 400A
Session Chair: Claude Lopez

"Estimating and Testing Multiple Structural Changes in Cointegrated Regression Models" by **Mohitosh Kejriwal** (Boston University) and Pierre Perron (Boston University)

"Trend-Cycle Decompositions of US Real GDP: Using Fourier Approximation to Capture Unknown Structural Changes in the Trend" by **Ting Qin** (University of Alabama) and Walter Enders (University of Alabama)

"GLS Detrending, Unit Root Tests and Changes in the Intercept" by **Claude Lopez** (University of Cincinnati)

Session 14: Bayesian Inference
TUC 400C
Session Chair: Olivier Parent

"Incorporating Economic Objectives into Bayesian Priors: Portfolio Choice Under Parameter Uncertainty" by Jun Tu (Singapore Management University) and **Guofo Zhou** (Washington University)

"Optimal Portfolio Diversification Using Maximum Entropy Principle" by Anil Bera (University of Illinois at Urbana-Champaign) and **Sung Park** (University of Illinois at Urbana-Champaign)

"Using Bayesian Model Averaging to Estimate Spatial Interactions in the Knowledge Production Functions" by James LeSage (University of Toledo) and **Olivier Parent** (University of Cincinnati)

Session 15: Econometric Theory II
TUC 400B
Session Chair: John Keating

“Robust Penalized Quantile Regression Estimation for Panel Data” by **Carlos Lamarche** (University of Illinois)

“Nonstationary Censored Regression” by Ling Hu (Ohio State University) and **Robert de Jong** (Ohio State University)

“Using Parameter Instability to Test Economic Theories” by **John Keating** (University of Kansas)

Session 16: Semiparametrics
TUC 427
Session Chair: Christopher Parmeter

“Identification and Nonparametric Estimation of a Transformed Additively Separable Model” by **David Jacho-Chavez** (Indiana University), Arthur Lewbel (Boston College) and Oliver Linton (London School of Economics)

“Semi-nonparametric Estimation of First-Price Auction using Simulated Method of Moments” by Herman Bierens (Pennsylvania State University) and **Hosin Song** (Pennsylvania State University)

“”Convergence Clubs: Evidence from Calibrated Modality Tests” by Daniel Henderson (SUNY, Binghamton), **Christopher Parmeter** (Virginia Polytechnic Institute) and Robert Russell (University of California, Riverside)

12:00 – 1:30 Lunch
TUC 4th Floor

1:30 – 3:00 Parallel Sessions
Tangeman University Center, 4th Floor

Session 17: Monetary Policy Analysis
TUC 400B
Session Chair: Arnold Zellner

"Reconsidering the Optimality of Federal Reserve Forecasts" by **Michael Hanson** (Wesleyan University) and Jayson Whitehorn (Epic Systems Corporation)

"Forecasting Macro Variables with a Qual VAR Business Cycle Turning Point Index" by **Michael Dueker** (Federal Reserve Bank of St. Louis) and Katrin Wesche (Swiss National Bank)

"Alan Greenspan, the Bayesian Monetary Policy-Maker" by **Arnold Zellner** (University of Chicago)

Session 18: Time Series III
TUC 400A
Session Chair: Andros Kourtellos

"How Important are Ideas in Determining Inflation Patterns? A Multi-Country Time-Varying Analysis Using the Taylor Rule" by **Anastasia Zervou** (Washington University) and Jacek Suda (Washington University)

"Single-Equation ADL Tests for Threshold Cointegration" Jung Li (University of Alabama) and **Junsoo Lee** (University of Alabama)

"Threshold Regression with Endogenous Threshold Variables" **Andros Kourtellos** (University of Cyprus), Thanasis Stengos (University of Guelph) and Chih Ming Tan (Tufts University)

Session 19: Applied Econometrics III
TUC 400C
Session Chair: Christelle Viauroux

"eBay 9/11" by **Jose Canals-Cerda** (Federal Reserve Bank of Philidelphia) and Jason Pearcy (University of Colorado at Boulder)

"Avoiding Biases from Data-Dependent Specification Search: An Application to a Tillage Choice Model" by Sanchita Sengupta (Iowa State University), **Lyubov Kurkalova** (Southern Illinois University) and Catherine Kling (Iowa State University)

"Evaluation of Welfare Costs of Congestion" by **Christelle Viauroux** (University of Cincinnati)

Session 20: Microconometrics
TUC 427
Session Chair: Alex Maynard

"Duration of New Firms: Do Startup and Aggregate Conditions Matter?" by **Kim Huynh** (Indiana University), Robert Petrunia (Lakehead University) and Marcel Voia (Carleton University)

"Public Insurance and Private Savings: Who is Affected and By How Much?" by **Alex Maynard** (University of Toronto) and Jiaping Qui (Wilfred Laurier University)

3:00 – 3:30 Break
TUC 4th Floor

3:30 – 5:00 Parallel Sessions

Session 21: Time Series Econometrics II
TUC 427
Session Chair: Kyungho Jang

"Real Exchange Rates and the Properties of the Variance of *k*-Differences When *k* is Close to the Sample Size" by **Sungwook Park** (Ohio State University) and Masao Ogaki (Ohio State University)

"Half-Life Estimation under the Taylor Rule: Two Goods Model" by **Hyeongwoo Kim** (Auburn University)

"Two-Step Maximum Likelihood Estimation of Structural Vector Autogressive Models Partially Identified with Short-Run Restrictions" by **Kyungho Jang** (Inha University)

Session 22: Financial Econometrics II
TUC 400C
Session Chair: Kun Yang

“The International Diversification Puzzle Revisited: A Stochastic Dominance Analysis of High-Frequency Data” by Joon Park (Rice University and SKKU) and **Mototsugu Shintani** (Vanderbilt University)

“Estimation and Hedging Effectiveness of Time-Varying Hedge Ratio: flexible Bivariate GARCH Approaches” by Sung Park (University of Illinois) and **Sang Jei** (University of Missouri)

“Inter-Market Information Transmissions: Evidence from High-Frequency Index Funds Data” by **Kun Yang** (Vanderbilt University)

Session 23: Spatial Econometrics
TUC 400A
Session Chair: Xu Lin

“Quasi-Maximum Likelihood Estimators For Spatial Dynamic Panel Data with Fixed Effects: The Standard Case” by **Jihai Yu** (Ohio State University), Robert de Jong (Ohio State University) and Lung-fei Lee (Ohio State University)

“Bias from Misspecified Spatial Weight Matrices in SAR Models: A Theory and Some Simulation Study” by **Sang-Yeob Lee** (Ohio State University)

“GMM Estimation of Spatial Autoregressive Models with Unknown Heteroskedasticity” **Xu Lin** (Tsinghua University) and Lung-fei Lee (Ohio State University)