Finance and Economics Research Newsletter

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University of Technology, Sydney

News

FIRN - The Financial Integrity Network: Funding: 2004-2009 $1,750,000
School Network Members: **Carl Chiarella** (Network Convenor), **Tony Hall**, and **Eckhard Platen**. Announcements on opportunities for participation by other School members will be forthcoming.

Dr Wally Lalich is a participant in a successful ARC Network Grant. *ARACY/ARC Research Network: Future Generation* Funding: 2004-2009 $1,750,000

A Research Development Workshop (a follow-up to the Incubator Project) held on August 17, with resentations by: **Gerhard Van de Venter, Lindsay Stubbs, Jacqueline Williamson, Peter Docherty, Nahid Rahman, Andy Chong, Scott Walker,** and **Rosalie Degabriele**.

Basel II - what will it achieve? This successful conference, organised by **Rowan Trayler** and jointly convened by the School and AIBF attracted over 100 attendees mainly from Industry. Papers by Ed Altman and Benton Gup and representatives from KPMG, Standard and Poors, APRA, NAB and ANZ banks. Benton gave an introduction to how Basel II will be adopted in the US, and Ed's special presentation was on the impact of Basel II on Small and Medium Sized Enterprises.

Upcoming Seminars

3 September: Steve Keen, University of Western Sydney,
"A Circuitist Model of Monetary Production"

10 September: Eckhard Platen, UTS,
"Local Volatility Function Models Under a Benchmark Approach"

17 September: Neil Esho, APRA,
"The Investment Performance of Australian Superannuation Funds"

Visitors

Professor Volker Bohm, Bielefeld University. Main areas of research: General Equilibrium Theory, Welfare Economics, Imperfect Competition ; Macroeconomics - Unemployment, Inflation, Growth, Business Cycles; Random Economic Dynamical Systems; Financial Markets. August to October.

Professor Peter Flashel, Bielefeld University. Main areas of research: Disequilibrium Macrodynamics; Open economy macrodynamics; Real-Financial interaction on the macro-level; Nonlinear macro- and microdynamical systems; High order (integrated) economic dynamical models; Structural macroeconometric model building; Numerical analysis of macrodynamic systems. September and October.

Professor Franz Wirl, University of Vienna, Main areas of research: Energy and Environmental Economics, Industrial Management, Dynamic Games, Principal-Agent-Relationships, Real Options. September to November

QMF2004

QMF2004
Manly Pacific Parkroyal Hotel from
15—18 December 2004

This year's focus is: Integrated Risk Management, Credit Risk, Hedge Funds and other areas of Quantitative Finance.

For further information see the QMF2004 conference website at:

If you would like to con-

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Papers Published

C. Chiarella and F. Szidarovszky, "Bertrand Oligopoly with Incomplete Information", *Journal of Concrete and Applicable Mathematics*, 2 (2004).

C. Chiarella and F. Szidarovszky, "The Asymptotic Behavior of Dynamic Producer-Consumer Systems ", *Mathematical and Computer Modelling*, 39 (2004) 1297-1312.

S. Jaggia and **S. Thosar**, "Mean reversion and the asset allocation decision", Advances in investment analysis and portfolio management, New Series, 2005, Volume 1, Chapter 9, pages 219-233, Center for Pacific Basin Business, Economics and Finance Research.

J. Collins, "National Identity in Australia: Cosmopolitan Contradictions Down Under", *Canadian Diversity,* Vol 3:2, Spring 2004, pp. 47-50.

E. Platen, "Pricing and hedging for incomplete jump diffusion benchmark models", in Mathematics of Finance, Proceedings of an AMS-IMS-SIAM Joint Summer Research Conference on Mathematics of Finance June 2003, Contemporary Mathematics, American Mathematical Society. Volume 351 (2004)287-301.

Working Papers Published

T. Hutcheson and **H. Tse** "Learning by Students at University" School of Finance and Economics Working Paper, August 2004.

Papers Accepted for Publication

C. Chiarella and **C. Nikitopoulos-Sklibosios**, "A class of jump-diffusion bond pricing models within the Heath-Jarrow-Morton framework", *Asia-Pacific Financial Markets*, forthcoming 2004.

C. Chiarella, **X. He**, **H. Hung** and **P. Zhu**, "An Analysis of the Cobweb Model with Boundedly Rational Heterogeneous Producers", *Journal of Economic Behavior & Organization*, forthcoming 2005.

R. Bird, **X. He**, **S. Thosar** and P. Woolley, "The case for market inefficiency: Investment style and market pricing", *Journal of Asset Management*, forthcoming 2004.

Conference Or Seminar Presentations

C. Chiarella, R. Dieci and **X. He**, "Heterogeneous Expectations and Speculative Behavior in a Multi-Asset Dynamic Framework", 3rd International Conference on Nonlinear Economic Dynamics, Tokyo, August 2004.

C. Chiarella and G. Iori. "The Microstructure of Double Auction Markets; Some Further Simulation Analysis", 3rd International Conference on Nonlinear Economic Dynamics, Tokyo, August 2004.

C. Currie, "Basel II and Operational Risk; an overview of key concerns", *Basel II - what will it achieve?*, Conference sponsored by AIBF and UTS, Sydney, August 2004.

E. Platen, "Local Volatility Function Models under a Benchmark Approach", Daiwa International Workshop on Financial Engineering, Tokyo/Kyoto, Japan, August 2004 (invited).