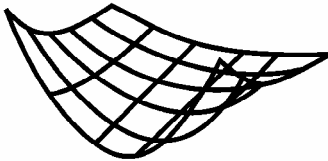


Finance and Economics Research Newsletter

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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 Fi-
nance.*

*For further information see the
QMF2004 conference website
at:*

If you would like to con-

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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 presentations by: **Gerhard Van de Venter**, **Lindsay Stubbs**, **Jacque-
line 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 introduc-
tion 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 Equi-
librium Theory, Welfare Economics, Imperfect Competition ; Macroeconomics - Un-
employment, Inflation, Growth, Business Cycles; Random Economic Dynamical Sys-
tems; 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 macroeconomic model building; Numerical
analysis of macrodynamic systems. September and October.

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

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).