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CARISMA AUTUMN NEWSLETTER

A Research Centre of Brunel University West London

Forthcoming Events

- Financial Innovation & New Structured Products in the Equity World Workshop
- Credit & Interest Rate Risk Workshop
- Asset Liability Management/ Liability Driven Investment
- EVT-Copula Workshop

http://www.carisma.brunel.ac.uk/forthcomingconf.html

Message from the Director

We are pleased to inform the friends of CARISMA (for "friends" read those of you who are captive in our email contact list!) what we have been up to for the last nine months. CARISMA research centre comprises 14 academics, 2 research fellows and 35 PhD students. We thank all our researchers, PhD students, their supervisors and research fellows for progressing the research and teaching agenda of CARISMA. The newsletter appears in the form of a collective blog, if we may coin and use such a term, and explains the dynamics of our group. We tell you about how one of our academics has been honoured with a prize, the events we have attended, our projects, our recent visitors, our BRIC investment and the changes that have taken place.

CARISMA team @ Prague, EURO XXII

We hope you find the news items informative and interesting.
Gautam Mitra
Director

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Congratulations! Fabio Spagnolo won 2006 ARROW PRIZE FOR SENIOR ECONOMISTS

Arrow Prize for Junior and Senior Economists

Introduced in 2003, the Arrow Prize for Junior and Senior Economists recognizes two papers published each year in bepress [Berkeley Electronic Press] economics journals that make an outstanding contribution to economics. Each award carries an honorarium and an announcement to the Berkeley Electronic Press network of 65,000 economists.

The Arrow Prize for Junior Economists is awarded annually to one paper published by a faculty member or economist six or fewer years from his or her Ph.D. The Arrow Prize for Senior Economists is awarded annually to one paper published by a faculty member or an economist more than six years from his or her Ph.D. For a complete list of journals, see http://www.bepress.com/economics_journals.html.

Arrow Prize for Senior Economists Zacharias Psaradakis, Martin Sola and Fabio Spagnolo (2006) Instrumental-Variables Estimation in Markov Switching Models with Endogenous Explanatory Variables: An Application to the Term Structure of Interest Rates, Studies in Nonlinear Dynamics & Econometrics: Vol. 10: No. 2, Article 1.

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STOP PRESS

Professor David Hand of Imperial College, President Elect of the Royal Statistical Society, has joined us as an honorary visiting professor of CARISMA

www.carisma.brunel.ac.uk

3rd annual CARISMA seminar

The event was enthusiastically attended by more than 100 persons. The attendees were practising quants from the finance industry, leading academics and aspiring PhD students.

The workshops on robust optimisation for portfolio planning, hedge funds and financial innovation were well attended. The two-day seminar took place in a highly interactive format; the speaker and participant contributions were very valuable indeed. If you were not present at the event you may look up the presentations on the conference web site.

[www.optirisk-systems.com/newsandevents/carismaproceedings.asp]

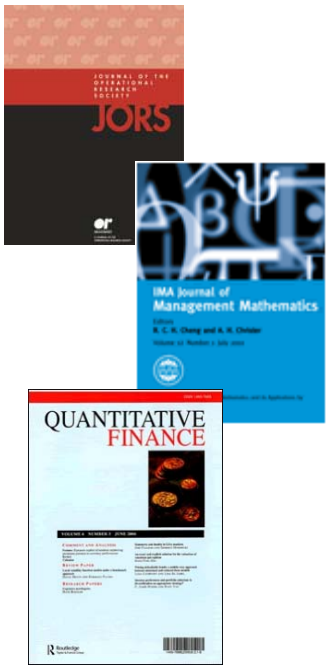
We received very positive feedback from the many participants, and for our 4th Annual CARISMA event, to be held in July 2008, we cordially invite our readers' recommendations; should you wish to suggest a seminar/workshop topic, please contact us by phone or email.

- Prof. Mitra and Mr. Valente presented at the Spring Workshop: Stochastic Programming Theory & Applications, University of Bergamo, Italy
- Dr. Lucas and Mr Valente presented at 2007 INFORMS Conference on O.R Practice - Applying Science to the Art of Business,
- Dr. Yu presented his recent work on copula quantile regression at ICSA International Statistical Symposium
- Prof Mitra and Prof Beasley led the 10 other CARISMA members to present and exhibit at EURO XXII, Prague
- CARISMA presented and exhibited at the 11th Conference on Stochastic Programming (SPXI)
- Prof Mitra gave a plenary talk at BALCOR 2007, BELGRADE and an invited talk at the INQUIRE event in Cambridge.
- Dr N Mladenovic gave plenary talk "VNS for continuous global optimization" at "Discrete optimization and Operational research" (DOOR'07) conference, in Vladivostok, Russia.

Projects

With the completion of the EU-funded RISKPLAN project, we will be launching a postgraduate program, "Risk Management and Financial Engineering", jointly with Jadavpur University, India.

Our industry-sponsored projects with UBS on long-short portfolios, and with BP Oil on integrating credit risk and market risk, continue to progress well. The project sponsored by KIDDE on residual risk quantification for process plant explosion systems has come to a successful conclusion after three years of development; we expect to pursue further research in this area. We have recently compiled a special issue for the Journal of the OR Society (JORS) covering the role of risk in supply chain management.



Dr. Paresh Date and Rogemar Mamon have acted as guest editors of IMA Journal of Management Mathematics special issue: Financial Mathematics, October 2007.

Gautam Mitra, Michael Dempster (Judge Institute of Cambridge) and Georg Pflug (University of Vienna) edited Quantitative Finance special issue: Portfolio Construction and Risk Management , August 2007

We have joined University of Bergamo in a research and training project funded by CARIPLO Foundation.

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Visitors

During 2007, CARISMA has been host to academics and researchers from different continents.

Academic colleagues include Gus Gassmann and Yael Kollet from Dalhousie University, Canada and Csaba Fabian from Hungary.

New researchers and PhD students include Bruno Flach from Brazil; Gianfranco Guastaroba from Bergamo, Italy; Ritsesh Kumar from IIM Kolkata, India; Jasmina Lazic from Serbia; Maria Woodside from Bahamas; Xiangyu Yang from China; Viktor Zverovitch from Russia.

BRIC Investment

Thus it can be seen that not only do we have an international array of staff and students, but we have also achieved intellectual investment from "**BRIC**" (Brazil, Russia, India, China) countries.

Changes

Chandra Poojari has left CARISMA to join a Hedge Fund, we wish him success in his career move; we welcome Diana Roman who has joined the faculty.

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