FAIRMONT RESORT HOTEL
Mont Tremblant, Québec, Canada
March 24-26, 2006

McGill Finance Research Centre
www.mfrc.mcgill.ca

Organized by Peter Christoffersen and Jan Ericsson

PROGRAM

Registration: (514) 398-8144 E-mail: karen.robertson@mcgill.ca
Day one: Friday, March 24, 2006

7.30-8.00 Registration, Coffee and Croissants

Friday Morning Session: MARKET RISK
8.00-8.45 Continuous-time Models and the Distribution of Daily Stock Returns
Torben G. Andersen, Northwestern University
Tim Bollerslev, Duke University
Per Houmann Frederiksen, Aarhus School of Business
Morten Oregaard Nielsen, Cornell University
Discussant: Mark Kamstra, York University

8.45-9.30 Financial Leverage Does Not Cause the Leverage Effect
A. Cevdet Aydemir, Lehman Brothers
Mike Gallmeyer, Texas A&M University
Burton Hollifield, Carnegie Mellon University
Discussant: Eric Jacquier, HEC Montreal

9.30-10.00 Breakfast

10.00-10.45 Option-Implied Correlations and the Price of Correlation Risk
Joost Driessen, University of Amsterdam
Pascal Maenhout, Insead
Grigory Vilkov, Insead
Discussant: Til Schuermann, New York Fed

10.45-11.30 The Factor Structure of Realized Volatility and its Implications for Option Pricing
Zhi Da, Northwestern
Ernst Schaumburg, Northwestern
Discussant: Mikhail Chernov, Columbia University

11.30 End of Morning Session

Friday Afternoon Session: ASSET MANAGEMENT
4.30-5.15 Modeling and Forecasting Term Structures of Government Bond Yields
KEYNOTE SPEAKER: Francis X. Diebold, University of Pennsylvania

5.15-6.00 Long-term Asset Management and the Role of High-water Marks
George O. Aragon, Arizona State University
Jun Qian, Boston College
Discussant: Ruslan Goyenko, Indiana University

7.00 Food and Drinks
Day two: Saturday, March 25, 2006

7.30-8.00 Coffee and Croissants

Saturday Morning Session: CREDIT RISK

8.00-8.45 Optimal Debt and Equity Values in the Presence of Chapter 7 and Chapter 11
Mark Broadie, Columbia University
**Mikhail Chernov, Columbia University**
Suresh Sundaresan, Columbia University
Discussant: Pascal François, HEC Montreal

8.45-9.30 Inflation Uncertainty, Asset Valuations, and Five Credit Risk Puzzles
**Alexander David, University of Calgary**
Discussant: Sergey Isaenko, Concordia University

9.30-10.00 Breakfast

10.00-10.45 The Information Content of Option-implied Volatility for Credit Default Swap Valuation
Charles Cao, Pennsylvania State University
**Fan Yu, University of California, Irvine**
Zhaodong Zhong, Pennsylvania State University
Discussant: Hao Zhou, Federal Reserve Board

10.45-11.30 A No-Arbitrage Analysis of Economic Determinants of the Credit Spread Term Structure
Liuren Wu, Baruch College
**Frank Xiaoling Zhang, Morgan Stanley**
Discussant: Fan Yu, University of California, Irvine

11.30 End of Morning Session

Saturday Afternoon Session: SYSTEMIC RISK

4.30-5.15 Banking System Stability: A Cross-Atlantic Perspective
**Philipp Hartmann, European Central Bank**
Stefan Straetmans, Maastricht University
Casper de Vries, Erasmus Universiteit Rotterdam
Discussant: Jose Lopez, Federal Reserve Bank of San Francisco

5.15-6.00 Wealth Transfers and Portfolio Constraints
Anna Pavlova, London Business School
**Roberto Rigobon, MIT**
Discussant: Jun Qian, Boston College

7.00 Food and Drinks
Day three: Sunday, March 26, 2006

7.30-8.00 Coffee and Croissants

Sunday Morning Session: LIQUIDITY RISK AND MARKET FRICTIONS

8.00-8.45 The Market Microstructure of US Treasury Futures
Yacine Ait-Sahalia, Princeton University
Jialin Yu, Columbia University
Discussant: Ingrid Werner, Ohio State University

8.45-9.30 Demand-Based Option Pricing
Nicolae Garleanu, University of Pennsylvania
Lasse Heje Pedersen, New York University
Allen M. Poteshman, University of Illinois
Discussant: Alexander David, University of Calgary

9.30-10.00 Breakfast

10.00-10.45 Stock and Bond Pricing with Liquidity Risk
Ruslan Goyenko, Indiana University
Discussant: Ernst Schaumburg, Northwestern

10.45-11.30 Coordination Risk in Lending and the Capital Structure of Arbitrageurs
Mukarram Attari, Charles River Associates
Antonio Mello, University of Wisconsin-Madison
Martin E. Ruckes, University of Wisconsin-Madison
Discussant: Nicolae Garleanu, University of Pennsylvania

11.30 End of conference
FEES and REGISTRATION

Practitioner : $500 + taxes = $575.13
Professor (with proof of status) : $250 + taxes = $287.56
Student (with proof of status) : $100 + taxes = $115.02

Prices include conference breakfasts and dinners.

For registration, please contact Karen Robertson at (514) 398-8144 or karen.robertson@mcgill.ca. You could also use the registration form on our website (www.mfrc.mcgill.ca).

ACCOMMODATION

The conference will be held at the Fairmont Resort Hotel situated at the foot of Mont Tremblant in Quebec's Laurentians (www.fairmont.com/tremblant/). Mont Tremblant is the premier winter resort in eastern North America. It is located a 2-hour drive by shuttle or rental car north of Montreal's Trudeau Airport. Toronto and New York (Newark) have direct air service to the local Mont Tremblant Airport (To view information on rates, schedules, routes and to book on-line, go to www.mtia.ca). For an overview of winter activities at Mont Tremblant see www.tremblant.ca.

Fairmont Resort Hotel
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Promotional code GRRMC1

Mont-Tremblant Shuttle Service from Montreal’s airport
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