Report Type
Mid Term Award Report

Full Name
Empirical Finance: Methodology and Application

Your E-Mail Address
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Faculty/Department
economics

Project Title
Empirical Finance: Methodology and Application

Project Start Date
Aug 01, 2017

Project End Date
Jul 31, 2020

Project Abstract
This is a research project articulated around the goal of measuring financial stability and market quality in contemporary market structures. The project is structured in several subthemes, each containing both econometric methodology and empirical application. Building on ongoing research, we plan to develop methods for measuring liquidity, volatility, and efficiency in both normal times and crisis times; and to evaluate the effects of market structure changes on market performance; to develop methodology that takes full account of the large datasets now available and innovate on the best work in modern statistics, relevant to address the economic and financial questions arising in the design and management of assets markets.

Activities and Achievement
We have hired three postdocs, Marco Geraci, Merrick Li, and Weilun Zhou whose research programmes are successful.
My PhD student Katjia Smetanina was hired as Assistant Professor at Booth School of Business, Chicago.
My PhD student Jeroen Dalderop was hired as Assistant Professor at the Economics Department of the University of Notre Dame.
We have several excellent PhD students in progress working on empirical finance topics. We also host a number of visitors from China and Germany and US for varying lengths of stay.
We have ran several high profile conferences.
October 2018, market microstructure and liquidity (with Albert Kyle)
May 2018 Big data in Financial Markets (Peter Phillips and Hashem Pesaran, Wolfgang Haerdle and Greg Connor)
May 2019 on Big Data.

Dissemination
Our work has been presented at Bank of England conferences to do with quantitative easing.
We will continue to engage with the Bank of England and the FCA.

Outputs
Oliver linton has published this book

also these papers
Dong, C. and Linton, O. Additive nonparametric models with time variable and both stationary and nonstationary regressors, (2018) Journal of Econometrics

Also these Bank of England Working papers


Alexey Onatskiy has published these papers on big data

He has these working papers which are all going to be published soon
Onatski, A. and Wang, C. Extreme canonical correlations and high-dimensional cointegration analysis, (2018) CWPE1805
Onatski, A. Asymptotics of the principal components estimator of large factor models with weak factors and i.i.d. Gaussian noise., (2018) CWPE1808

Marco Geraci has published a paper at the Journal of Quantitative Financial Analysis (2018) and the Journal of Financial Stability (2018) and has several working papers. His main paper is about financial stability modelling, but he is now working on short selling
Merrick Li has a paper that is being revised for the Journal of Econometrics, likely published soon. He also has a CWE working paper with me, CWE1908. His main work is about estimating microstructure features from high frequency data

Major Difficulties and Any Other Issues
none

Web Links
http://www.econ.cam.ac.uk/people/faculty/ao319
https://www.inet.econ.cam.ac.uk/our-events/Events-theme/events-by-empirical

Additional Information
Declaration
This award has not yet produced any relevant outputs, but details of any future publications will be submitted to the CERF database as soon as they become available.

Signature - Main Award Holder