



Fachbereich VWL / Department of Economics

# EconNewsletter

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DECEMBER 18 – DEZEMBER 22, 2017

NEWSLETTER 2017-28

## SEMINAR CALENDAR

### Forschungsseminar “Quantitative Wirtschaftsforschung“

Karin Stürmer, Northwestern University:

*On the Economic Determinants of Optimal Stock-Bond*

*Portfolios: International Evidence*

Tuesday December 19

12:15–13:45

R. 0029 (VMP 5)

### Forschungsseminar “Environmental Economics and Management“

Paul Burke, Australian National University:

*Closures of coal-fired power stations in Australia:*

*Local unemployment effects*

Wednesday December 20

12:15–13:45

R. 0029 (VMP 5)

### PhD Seminar

Adrian Wende, Universität Hamburg:

*Out of Sync Subnational Housing Markets and Macroeprudential*

*Policies*

Thursday December 21

12:15–13:15

R. 0029 (VMP 5)

### Research Seminar “Microeconomics”

Johann Lambsdorff, Universität Passau:

*Who Inflates the Bubble? Analysts and Traders in*

*Experimental Asset Markets*

Thursday December 21

17:15–18:45

R. 0029 (VMP 5)

### Hamburg Lectures on Law & Economics

- no seminar -

### HCHE Research Seminar

- no seminar -

### Research Seminar “Labour Economics”

- no seminar -

Sollten Sie Interesse haben, sich mit einem/r der Vortragenden zu treffen, wenden Sie sich bitte an den entsprechenden Veranstalter. Weitere Infos finden Sie auf unserer Homepage: <https://www.wiso.uni-hamburg.de/fachbereich-vwl/forschung/forschungsseminare.html>

## ABSTRACTS

### **Forschungsseminar “Quantitative Wirtschaftsforschung“**

Karin Stürmer, Northwestern University:

*On the Economic Determinants of Optimal Stock-Bond Portfolios: International Evidence*

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*Abstract:*

Using a modified DCC-MIDAS specification that allows the long-term correlation component to be a function of multiple explanatory variables, we show that the stock-bond correlation in the US, the UK, Germany, France, and Italy is mainly driven by inflation and interest rate expectations as well as a flight-to-safety during times of stress in financial markets. Based on covariance forecasts from the new specification, we construct stock-bond hedge portfolios and show that these portfolios outperform various benchmark portfolios in terms of portfolio risk. While optimal daily weights minimize portfolio risk, we find that portfolio turnover and trading costs can be substantially reduced when switching to optimal monthly weights.

### **Forschungsseminar “Environmental Economics and Management“**

Paul Burke, Australian National University:

*Closures of coal-fired power stations in Australia: Local unemployment effects*

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*Abstract:*

Eleven of Australia’s coal power stations closed during 2012–2017, with most of the twenty-three remaining coal power stations expected to close within the next two decades. In this paper we conduct an event study using monthly regional labour force survey data from the Australian Bureau of Statistics. We find that there is on average an increase in local unemployment after the closure of coal power stations, an effect that tends to persist beyond the months immediately after closure. In the context of the variation in unemployment rates across Australia and the ongoing dynamics of economy-wide structural change, however, the local employment implications of the closures of coal power stations are relatively modest. The findings raise questions about appropriate policy responses for dealing with the local structural adjustment issues facing coal-reliant communities.

**Research Seminar “Microeconomics”**

Johann Lamsdorff, Universität Passau:

*Who Inflates the Bubble? Analysts and Traders in Experimental Asset Markets*

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*Abstract:*

We study how the division of labour between analysts and traders contributes to mispricing in experimental asset markets. In our design, analysts are given some information on dividends from which they can estimate an asset’s fundamental value. Based on this, they send a price estimate to their traders. The traders buy and sell assets in repeated double auctions. We find a strong convergence towards fundamental values in a baseline, in which a single participant plays both roles. In treatments with a division of labour, some mispricing is obtained when profits are shared between analyst and trader. When analysts profit from accurate estimates rather than trades, the largest mispricing is found. Our findings are informative for financial stability and regulatory policy.

*The next EconNewsletter will be published on Monday January 8, 2018.*

*Editorial deadline: Friday, January 5, 2018.*

**EconNewsletter**

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