



Fachbereich VWL / Department of Economics

EconNewsletter

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JUNE 29 – JULY 3, 2020

NEWSLETTER 2020-14

SEMINAR CALENDAR

All seminars listed below will be held virtually this semester.

Quantitative Economics

[Kai Karstensen, CAU Kiel:](#)

Tuesday June 30

Uncertainty and change: survey evidence on firms' subjective beliefs

12:15–13:30

Please register via the following link:

<https://uni-hamburg.zoom.us/meeting/register/tJYucu2rqj8tGNWr9oMgGntPoPvsSHmmyVtQ>

PhD Seminar

[Florian Schütze, Hamburg University:](#)

Thursday July 2

*Predicting Business Cycle Fluctuations using Sentiment Covariates
and Web Embedding*

12:15–13:15

Please register via the following link:

<https://uni-hamburg.zoom.us/meeting/register/tJMof-yupzMjHNxOCshFUDnn3qXcqQiQXTdJ>

All other seminars are cancelled until further notice.

If you are interested in meeting with one of the speakers, please contact the respective organizer. Further information can be found on our homepage:

<https://www.wiso.uni-hamburg.de/fachbereich-vwl/forschung/forschungsseminare.html>

ABSTRACTS

Quantitative Economics

Kai Karstensen, CAU Kiel:

Uncertainty and change: survey evidence on firms' subjective beliefs

Abstract:

This paper provides survey evidence on firms' subjective uncertainty about future sales growth from a new representative panel data set of the German manufacturing sector. The main finding is that uncertainty reflects change: firms report more subjective uncertainty after either high or low growth realizations. In the cross section of firms, subjective uncertainty differs from statistical measures of uncertainty such as volatility: fast-growing and large firms report lower subjective uncertainty than fast-shrinking and small firms, respectively, even if they face shocks of similar size. In contrast, the substantial time variation in firm-specific subjective uncertainty resembles that in conditional volatility: both measures of uncertainty are mildly persistent and rise more when growth is temporarily low.

PhD Seminar

Florian Schütze, Hamburg University:

Predicting Business Cycle Fluctuations using Sentiment Covariates and Web Embedding

Abstract:

We develop a new methodology to produce text-based covariates using a distributional representation of words, known as word embeddings. Our approach selects, from a pre-trained german word embedding model, crisis-related and uncertainty-related terms occurring in economic and financial contexts to create sentiment covariates measuring the terms' intonations in each document of the corpus of german economic institutions. Results show enhanced predictive power of these covariates when used to predict business cycle fluctuations in Germany, as they outperform existing sentiment dictionaries, with an average out-of-sample accuracy of 95% reached using gradient boosted trees.

ACTIVITIES OF DEPARTMENT MEMBERS

New Publications

- **Funke, M., Loermann, J. and R. Moessner (2020)**, “The Discontinuation of the EUR/CHF Minimum Exchange Rate: Information from Option-Implied Break Probabilities”, *Studies in Nonlinear Dynamics & Econometrics*; <https://www.degruyter.com/view/journals/sn-de/ahead-of-print/article-10.1515-sn-de-2019-0078/article-10.1515-sn-de-2019-0078.xml> .

The next EconNewsletter will be published on Monday, July 6, 2020.

*Editorial deadline: **Friday, July 3, 2020.***

EconNewsletter

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