BUDAPESTI CORVINUS EGYETEM

CORVINUS INSTITUTE FOR ADVANCED STUDIES

Activity summary of CIAS research fellow in Budapest

Grant category: ☐ junior ☒ senior

Name: Fulop Andras

Home institute (name, position, country): ESSEC Business School, Professor of Finance, France

Academic Year / Semester: 2022 Fall semester

Duration: 5 months

Project title: Bayesian Estimation of Long-Run Risk Models with Mixed-Frequency Data (joint work with Jeremy Heng, Junye Li, Patrick Tang)

Project description*: Our first objective in this project is to develop a Bayesian econometric approach that facilitates the analysis of long-run risk models allowing both for higher order model solutions and mixed frequency data. Second, we plan to apply our method to U.S. real data on consumption, dividends, market and risk-free returns ranging from 1947:Q1 to 2021:Q4 and investigate whether the economic onclusions materially change if the mixed frequency data set is used. Further we also plan to contribute to the literature by applying the real-time Bayesian learning algorithm of Fulop and Li (2013) in this context to answer whether real-time information leads to different economic conclusions compared to the extant literature using the entire data set (including future data) to back-project the model-implied quantities to the past.

Achieved result(s)*: We have completed the coding and are running now the empirical analysis

Professional collaborations, partnerships*

1.

Name and Institution: Zalan Kocsis MNB, Andras Horvath Corvinus

Field of research: Natural Language Processing in Finance

Future plans for joined research:

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Additional activities* (public lectures, presentations, professional meetings, media connections etc.):

1. October 17, 2022 Presentation at the finance seminar of Corvinus: Option Return predictability and alpha portfolios
2. Research Seminar Series in the Department of Finance of Corvinus: Machine Learning in Finance. 10 times 90 minutes between October and December 2022
3. I am the external supervisor of the Master thesis of Andras Horvath, a 5th year student at Corvinus. Topic: Applying neural network based technique for financial news topic/tone classification
4. I have advised Hedvig Gal, an economics PhD student at Corvinus on her paper regarding quantitative tightening at the FED
5. September 21 2022: Presentation at the Brownbag of CEU Vienna
6. Presentation at the CIAS workshop
7. December 20, Magyar Kozgazdasagi Egyesulet Konferencia: I was the discussant of the paper of Milan Badics, a Corvinus PhD student
8. Patrick Tang an ESSEC data science student I supervise has visited me at CIAS in October-November 2022 to conduct joint research
9. Luca Gonzato from the University of Vienna visited me between November 21-23 and presented at the Corvinus finance department seminar
10. Artashes Karapetyan from ESSEC visited me on November 27-29 and presented at the Corvinus finance department seminar

Future plans, planned return (if any):

☒ I plan to return to Hungary later

☐ I plan to maintain my professional contacts via e-mail

☐ Any other comment:

*Please give us a properly detailed summary.

Date: 4th of January 2023

Signature: