Third Annual Conference on Extreme Events in Economic Systems
May 5, 2010
University of Stavanger (UiS)
Organized by Lorán Chollete and Bernt Arne Ødegaard
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Background: This annual conference series has a long-term focus on improved understanding of the modern financial system, and is motivated by current developments in finance and economics. In recent years there has been a noticeable increase in the frequency and impact of extreme events and financial crises. These events range from currency crashes and default (East Asia in 1994, Russia in 1998, Argentina in 2001), to liquidity crises (LTCM in 1998), to the US subprime market spillovers from 2007 through 2009. Such extreme events are sometimes correlated across markets, which makes their impact deeper and more severe. When extremes occur simultaneously, new modeling approaches are needed by academics, practitioners and regulators. Thus, the ongoing global market spillovers have stimulated the development of new methods in several areas: to construct theoretical and empirical models of asset markets under stress; to improve warning signals of systemic risk in domestic and international markets; and to enhance global monitoring of liquidity and capital adequacy.

Purpose: The objective of this conference is to bring together researchers working on important economic research analyzing extreme events. Papers are welcome from several areas, including:
· Central bank regulation of systemic risk
· Understanding and mitigating the impact of complex securities
· Balancing the tradeoff between individual profit and systemic instability
· Econometric estimation and forecasting in unstable environments
· Asset pricing with rare events
· Improving informational transparency in financial markets.
We aim to increase our understanding of the workings of markets during tumultuous economic periods like the present, with a focus on improving market performance over the long term.

Location: Department of Business Economics, UiS

Keynote Speaker: *Kenneth Froot*, Harvard Business School
"Tails that Wag the Dog: The Financial Consequences of Extreme Events"