



## Upcoming Seminars

### **Wednesday, 25.7.2018 Internal Seminar**

12.15-13.15	Onno Kleen
AWI 00.010	"Volatility Forecasting for Low-Volatility Investing"

### **Wednesday, 25.7.2018 Macro & Econometrics Seminar**

14.00-15.00	Luca Pegorari (KIT)
AWI 01.030	"The MPC out of Housing Wealth, Debt Overhang and the Slow Recovery"

## Abstracts

### **Internal Seminar**

Onno Kleen

"Volatility Forecasting for Low-Volatility Investing"

We show that low-volatility portfolios based on high-frequency measures of realized stock price variation have significantly higher returns than those based on daily data. Using more precise volatility estimates for every stock included in the S&P 500 and combining forecasts of HAR and EWMA models, average returns improve significantly compared to the industry-standard of sorting by last-month squared daily returns. Moreover, by comparing the investment strategies to a low-volatility "oracle" portfolio, we document that our selection criteria mimic the ex-post optimal portfolio choice more closely. Last, simply taking the average forecast leads to higher returns than individual forecast combination based on squared error, QLIKE or elementary loss, of which the latter is directly related to low-volatility portfolio selection. Our findings are even more pronounced after including transaction costs.

## Macro & Econometrics Seminar

Luca Pegorari

"The MPC out of Housing Wealth, Debt Overhang and the Slow Recovery"

The literature on the macroeconomic effects of the U.S. leverage cycle that started in the 2000s provides mixed evidence on the aggregate macroeconomic reactions to changes in households' debt. In a stochastic general equilibrium model with incomplete markets and ex-post heterogeneous agents, that face both collateral and lending constraints, which is able to replicate empirically sound distributional facts, this paper aims to add to the debate on the macroeconomic consequences of households' leveraging and deleveraging, with a focus on whether deleveraging was in itself a major driver of the Great Recession and the subsequent slow recovery.

## Talks and Research Visits

**Christina Gathmann** presented the paper "Access to Citizenship and the Social Integration of Immigrants" (joint with Nicolas Keller and Ole Monscheuer) at the 5th CAGE Workshop in Applied Economics in Venice, June 29-30.

**Ole Monscheuer** presented his paper "National Attachment and the Integration of Second-Generation Immigrants in the U.S." at the 32nd Annual Conference of the European Society for Population Economics (ESPE) in Antwerp, June 25-27.

**Timo Goeschl** presented the paper "Cold Case: The Forensic Economics of Energy Efficiency Label for Refrigeration Appliances" at the Compliance Network Meeting UC-Irvine on June 1, at the Annual Meeting of the Society for Environmental Law and Economics in Chicago on June 14, at the Economics 4 Energy Workshop at A Toxa on June 21, and at the World Congress of Environmental and Resource Economists in Gothenburg on June 25.

## New Publications

The paper "Cooperation in Public Goods Games: Calculated or Confused?" by Timo Goeschl and Johannes Lohse (Birmingham) has been accepted for publication by the *European Economic Review*.

## Miscellaneous

### ICAP Best Paper Award

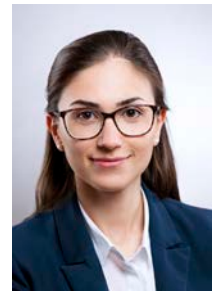
Karlijn van den Broek received the *Best Paper Award* of the International Conference on Applied Psychology and Human Behavior for her work on the MultiTip project, a collaboration between environmental economists, psychologists and mathematicians.

## New and Leaving Staff

Alexander Dangel will be starting his doctoral studies in September with Timo Goeschl at the Research Center for Environmental Economics. He completed his undergraduate studies at Macalester College in St. Paul, USA and is currently finishing his Master's degree in Economics at the University of Heidelberg. His research interests include community participation in environmental monitoring and the diffusion of green technologies.



Lora Pavlova has worked in the department as a tutor and research assistant at the Chair of Empirical Economics since March 2016. She just graduated with a Master's degree in Economics at the University of Heidelberg and will continue as a PhD student with Fabian Krüger from the upcoming winter semester 2018/2019. Her research interests include private households' inflation expectations and measuring forecast uncertainty.



Anna Merkel, PhD student at the Public Economics Chair of Christoph Vanberg, has accepted a position as a Postdoctoral Research Associate at the Department of Economics University of Mannheim as of September 2018.

*A pleasant vacation to everyone!*

**Editorial deadline for issue 21/2018 of the newsletter:  
Wednesday, **October 10**, 2018, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

If you would like to receive the newsletter by email,  
please contact the address above.