

SIXTH ERASMUS LIQUIDITY CONFERENCE August 26 & 27, 2013

Erasmus University

Organizers

Dion Bongaerts
Mark Van Achter
Dick van Dijk
Mathijs van Dijk

Venue

Erasmus University, Woudestein Campus,
Burgemeester Oudlaan 50, Rotterdam

For the sixth year in succession, the Econometric Institute, the Rotterdam School of Management (RSM), and the Erasmus Financial Markets Centre ([EFMC](#)) at Erasmus University jointly organize a two-day conference with the principal objective of presenting and discussing recent advances in academic research on market liquidity.

Novel in this year's edition of the conference is the **Panel Discussion on High-Frequency Trading** (featuring regulators, academics, and market operators/participants) to discuss the impact of high-frequency trading on market liquidity/stability.

We gratefully acknowledge financial support from the Erasmus Research Institute of Management (ERIM), the Tinbergen Institute, Fidessa, and the Nasdaq OMX Educational Foundation.

Recent versions of the papers (when publicly available) can be downloaded from the conference website: <http://www.rsm.nl/research/finance/events/liquidity-conference/>

SIXTH ERASMUS LIQUIDITY CONFERENCE

Program Doctoral Symposium (Monday, August 26 - Room C2-2)

8:45 – 9:10 Registration

9:10 – 9:15 Welcome address by **Dion Bongaerts**

9:15 – 10:45 SESSION I

Session chair: **Wing Wah Tham (Econometric Institute, Erasmus University)**

“Stock Repurchases and Market Liquidity”
Alexander Hillert, Ernst Maug, and Stefan Obernberger (University of Mannheim)

Discussant: **Ailsa Röell (Columbia University)**

“[The Impact of Arbitrageurs on Market Liquidity](#)”
Dominik M. Rösch (Rotterdam School of Management, Erasmus University)

Discussant: **Avi Wohl (Tel Aviv University)**

10:45 – 11:15 Coffee break

11:15 – 12:45 SESSION II

Session chair: **Elvira Sojli (Rotterdam School of Management, Erasmus University)**

“Equilibrium Asset Pricing and Portfolio Choice in the Presence of both Liquid and Illiquid Markets”
Rémy Praz (Swiss Finance Institute)

Discussant: **Albert J. Menkveld (VU University Amsterdam)**

“[Bid-Ask Spreads and the Decentralized Interdealer Markets: Core and Peripheral Dealers](#)”
Artem Neklyudov (Carnegie Mellon University)

Discussant: **Jérôme Dugast (Banque de France)**

12:45 – 14:00 Lunch break (at Faculty Club, H-17)

SIXTH ERASMUS LIQUIDITY CONFERENCE

Program Main Conference (Monday, August 26 – Room C2-2)

14:00 – 15:45 SESSION III

Session chair: **Mathijs van Dijk** (Rotterdam School of Management,
Erasmus University)

[“Market Turmoil and Destabilizing Speculation”](#)

Marco Di Maggio (MIT)

Discussant: **Ioanid Roşu** (HEC Paris)

KEYNOTE: “The Conditional Liquidity Risk of Corporate Bond Returns”
Viral Acharya (New York University)

15:45 – 16:15 Coffee break

16:15 – 17:45 SESSION IV

Session chair: **Sarah Draus** (University of Naples Federico II)

[“Informed Trading before Unscheduled Corporate Events: Theory and Evidence”](#)

Shmuel Baruch, Marios Panayides, and **Kumar Venkataraman** (Southern
Methodist University)

Discussant: **Erik Theissen** (University of Mannheim)

[“Informed Trading and Maker-Taker Fees in a Low-Latency Limit Order Market”](#)

Michael Brolley and **Katya Malinova** (University of Toronto)

Discussant: **Sarah Draus** (University of Naples Federico II)

17:45 – 22:30 Dinner for presenters and discussants

Keynote presentations: 45 minutes

Presentations: 25 minutes

Discussions: 10 minutes

SIXTH ERASMUS LIQUIDITY CONFERENCE

Program Main Conference (Tuesday, August 27 – Room C2-2)

9:00 – 10:45 SESSION I

Session chair: **Mark Van Achter (Rotterdam School of Management, Erasmus University)**

[“Does Order Splitting Signal Uninformed Order Flow?”](#)

Hans Degryse, Frank de Jong, and **Vincent van Kervel (VU University Amsterdam)**

Discussant: **Andreas Park (University of Toronto)**

KEYNOTE: “An Introduction to Market Microstructure Invariants”
Albert ‘Pete’ Kyle (University of Maryland)

10:45 – 11:00 Coffee break

11:00 – 12:30 SESSION II

Session chair: **Dick van Dijk (Econometrics Institute, Erasmus University)**

“Toxic Arbitrage”

Roman Kozhan (University of Warwick), Thierry Foucault, and Wing Wah Tham

Discussant: Frank de Jong (**Tilburg University**)

[“Sand in the Chips? Evidence on Taxing Transactions in Modern Markets”](#)

Jean-Edouard Colliard (European Central Bank) and Peter Hoffmann

Discussant: **Elvira Sojli (Rotterdam School of Management, Erasmus University)**

12:30 – 13:45 Lunch break (at Faculty Club, H-17)

Keynote presentations: 45 minutes

Presentations: 25 minutes

Discussions: 10 minutes

SIXTH ERASMUS LIQUIDITY CONFERENCE

Program Regulatory Event on High-Frequency Trading (Tuesday, August 27 - Senaatszaal)

13:45 – 15:30 SESSION III

Session chair: **Dion Bongaerts** (Rotterdam School of Management,
Erasmus University)

“An Academic View on High-Frequency Trading”
Albert ‘Pete’ Kyle (University of Maryland)

“Overview of (Proposed) Regulation of High-Frequency Trading”
Jasper Jorritsma (European Commission)

“Overview of Advances in Trading Technology”
Christian Voigt (Fidessa)

“Digging into Market Events”
Markus Löw and Fabian Rijlaarsdam (Eurex)

15:30 – 16:00 Coffee break

16:00 – 17:30 SESSION IV - Panel discussion on High-Frequency Trading

Moderator: **Ioanid Roşu** (HEC Paris)

Participants:

Ryan Chidley (APG)

Richard Gardiner (FESE)

Jasper Jorritsma (European Commission)

Albert ‘Pete’ Kyle (University of Maryland)

Remco Lenterman (IMC)

17:30 – 17:45 Doctoral Student Award Ceremony and closing address by **Mark Van Achter**

17:45 – 19:00 Social drinks (at Faculty Club, H-17)

Presentations: 20 minutes

SIXTH ERASMUS LIQUIDITY CONFERENCE

Confirmed Participants

<u>Name</u>	<u>Affiliation</u>
Viral Acharya	New York University
István Barra	VU University Amsterdam
Dion Bongaerts	Erasmus University, Rotterdam School of Management
Miroslav Budimir	Deutsche Börse AG
Gokhan Cebiroglu	Humboldt Universität zu Berlin
Jean-Edouard Colliard	European Central Bank
Petter Dahlström	Nasdaq OMX
Frank de Jong	Tilburg University
Hans Degryse	University of Leuven
Marco Di Maggio	MIT
Sarah Draus	University of Naples Federico II
Joost Driessen	Tilburg University
Jerome Dugast	Banque de France
Nita Faustina	Erasmus University
Marc Gabarro	Erasmus School of Economics
Richard Gardiner	FESE
Egemen Genc	Erasmus University, Rotterdam School of Management
Pooyan Ghazizadeh	Erasmus University, Rotterdam School of Management
Sebastian Gryglewicz	Erasmus School of Economics
Rogier Hanselaar	Erasmus University
Peter Hoffmann	European Central Bank
Bernard Hosman	Duisenberg School of Finance
Hao Jiang	Erasmus University, Rotterdam School of Management
Jasper Jorritsma	European Commission
Nina Karnaukh	University of St. Gallen
Lingtian Kong	Erasmus University, Rotterdam School of Management
Roman Kozhan	University of Warwick
Albert 'Pete' Kyle	University of Maryland
Remco Lenterman	IMC
Markus Low	Eurex
Katya Malinova	University of Toronto
Mike Qinghao Mao	Erasmus School of Economics

<u>Name</u>		<u>Affiliation</u>
Albert	Menkveld	VU University Amsterdam
Artem	Neklyudov	Carnegie Mellon University
Stefan	Obernberger	University of Mannheim
Andreas	Park	University of Toronto
Remy	Praz	Ecole Polytechnique Fédérale de Lausanne Switzerland
Fabian	Rijlaarsdam	Eurex
Andika	Rivai	Erasmus University, Rotterdam School of Management
Ailsa	Röell	Columbia University
Dominik	Rösch	Erasmus University, Rotterdam School of Management
Ioanid	Roşu	HEC
Satchit	Sagade	Goethe University
Erkki	Silde	VU University Amsterdam
Zorka	Simon	Tilburg University
Elvira	Sojli	Erasmus University, Rotterdam School of Management
Vishal Ramesh	Solanki	Erasmus University
Willem	Sprenkeler	Optiver
Erik	Stevens	Market Wizards
Xi	Sun	Erasmus University, Rotterdam School of Management
Piebe	Teeboom	AFM
Wing Wah	Tham	Econometric Institute, Erasmus University
Erik	Theissen	University of Mannheim
Mark	Van Achter	Erasmus University, Rotterdam School of Management
Michel	van der Wel	Erasmus School of Economics
Mathijs	van Dijk	Erasmus University, Rotterdam School of Management
Dick	van Dijk	Econometric Institute, Erasmus University
Vincent	van Kervel	VU University Amsterdam
Gerben	van Veldhuijsen	Optiver
Kumar	Venkataraman	Southern Methodist University
Roy	Verbeek	Erasmus University, Rotterdam School of Management
Patrick	Verwijmeren	Erasmus School of Economics
Ståle	Vilming	Norges Bank Investment Management

<u>Name</u>		<u>Affiliation</u>
Tetiana	Vinnyk	Kyiv National Economic University
Christian	Voigt	Fidessa
Vadym	Volosovych	Erasmus School of Economics
Christian	Westheide	University of Mannheim
Avi	Wohl	Tel Aviv University
Ran	Xing	Tilburg University
Darya	Yuferova	Erasmus University, Rotterdam School of Management
Rafael	Zajonz	Deutsche Bundesbank
Sarah	Zhang	Karlsruhe Institute of Technology
Quxian (Eden)	Zhang	Erasmus University, Rotterdam School of Management
Marius	Zoican	VU University Amsterdam

Directions to Erasmus University – Woudestein Campus

By Air

When arriving at Schiphol Airport (Amsterdam): Take a train to Rotterdam Central Station (about 50 minutes by regular train or 25 minutes by high-speed “Fyra”). Then take a taxi to Erasmus University (Woudestein campus). When arriving at Rotterdam Airport (European flights only): Take a taxi to Erasmus University (Woudestein campus).

By Car

Coming from the south (A16): First follow the direction “Ring Rotterdam, Den Haag.” Near Ridderkerk, take directions “Feijenoord / Centrum / Kralingen / Capelle.” When crossing the Van Brienoordbrug, take the exit “Rotterdam Centrum / Capelle” and you will arrive at a roundabout. On the roundabout, take the “Rotterdam Centrum” exit. Then take the first turn to the right after the Shell petrol station. You have arrived at Burgemeester Oudlaan. The main entrance of the Woudestein campus is 100 meters further on your right.

Coming from Utrecht and Den Haag: First follow the direction “Ring Rotterdam / Dordrecht,” and then “Kralingen / Feijenoord / IJsselmonde” and take the exit “Capelle / Centrum.” At the traffic lights follow “Rotterdam Centrum.” Then take the first turn to the right after the Shell petrol station. You have arrived at Burgemeester Oudlaan. The main entrance of the Woudestein campus is 100 meters further on your right.

Parking is available on campus for a fee.

By Public Transport

From Rotterdam Central Station: take the metro (subway) in the direction “Spijkenisse/Slinge.” Change at “Beurs.” Take the direction “Ommoord / Nesseland / Capelle” and exit at “Kralingse Zoom.” When exiting the station, facing the main road, Erasmus University is across the road, about 200 meters to the left. Alternatively, you can take tram number 7 or 21 from Rotterdam Central Station. You should exit at the stop “Erasmus Universiteit / Woudestein” close to the main entrance of the Woudestein campus.

See also: <http://www.eur.nl/english/guide/maps/mapcampuswoudestein/>