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Philippine Center for
Economic Development

present a seminar on

“International asset allocation in presence of systematic cojumps”

By

Nguyen Duc Khuong

Professor, IPAG Business School (France)

19 February, Friday

4:00-5:00 p.m. – Room 303

Abstract:

The objective of this article is to explain the home bias phenomenon in international asset holdings from an investigation of intraday jumps and cojumps. We hypothesize that global investors will overweigh domestic assets if the benefit from the international diversification is negatively affected by a high level of synchronization and transmission of intraday jumps across markets. Using intraday index-based data for equity traded funds, we provide evidence of significant systematic jump risks in international markets that drive investors to reduce the proportion of foreign assets in their diversified portfolios. Considering the composition of the optimal portfolio in the sense of mean-variance and mean-CVaR approaches, we provide evidence of a negative correlation between the demand of foreign assets and the number of cojumps between domestic and foreign assets.

About the speaker:

Duc Khuong Nguyen is Professor of Finance and Deputy Director for Research at IPAG Business School (France). He holds a PhD in Finance from the University of Grenoble II (France) and a HDR (Habilitation for Supervising Scientific Research) degree in Management Science from University of Cergy-Pontoise (France), and completed an executive education program in “Leadership in Development” at Harvard Kennedy School (United States). He is also a Non-Resident Research Fellow at the School of Public and Environmental Affairs, Indiana University, and a Research Associate at the Department of Finance, Centre d'Economie de la Sorbonne, University Paris 1 Panthéon-Sorbonne. His research articles are published in various refereed journals such as Journal of Banking and Finance, Journal of International Money and Finance, Journal of International Financial Markets, Institutions and Money, Quarterly Review of Economics and Finance, and Review of International Economics. Dr. Nguyen has edited several books on corporate finance and financial markets issues and serves as subject and associate editors of several finance journals.



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For group attendance, please contact Ms. Gloria Lambino, UPSE Economics Research Center
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