

## Programme (3 September 2019)

# The Regulation and Operation of Modern Financial Markets

### Organizers:

Mathieu Rosenbaum (École Polytechnique),  
Jean-Pierre Zigrand (London School of Economics),  
Ásgeir Jónsson (Governor, Central Bank of Iceland)  
Jon Þór Sturluson (The Financial Supervisory Authority, Iceland), and  
Hersir Sigurgeirsson (University of Iceland)

5-7 September 2019

### University of Iceland

**Conference Venue:** Aula, University of Iceland, Main Building, 101 Reykjavík

**Conference Hotel:** Radisson Blu Saga Hotel, Hagatorg, Reykjavik, 107, Iceland

The conference is supported by the Financial Supervisory Authority (FME), Economic and Social Research Council (ESRC) [grant number ES/R009724/1], European Research Council (ERC) [679836 STAQAMOF], by the project “Digging into High-Frequency Data: Present and Future Risks and Opportunities (Atlantis)” in the framework of the Trans-Atlantic Platform and by the chair Analytics and Models for Regulation at École Polytechnique.

# Day 1

**8h30-8h50 Registration**

**8h50-9h00 Welcome Address**

Jón Atli Benediktsson, Rector of the University of Iceland

**9h00-10h40 Session 1: Algorithmic trading**

Chair: Mathieu Rosenbaum (École Polytechnique)

Alain Chaboud (Federal Reserve Board)

What makes HFTs tick in the foreign exchange market?

Carole Métais (Institut Europlace de Finance)

Order placement strategies in high-frequency markets

Katia Vozian (Hanken School of Economics)

Market resiliency and dynamics of the limit order book

Spyros Skouras (Athens University of Economics and Business)

Forecasting the Equity Premium with the Overnight-Intraday Tug of War

**10h40-11h00 Coffee break**

**11h00-12h50 Session 2: Market design 1**

Chair: Marcos Carreira (École Polytechnique)

Thibaut Mastrolia (École Polytechnique)

Optimal auction duration: a price formation viewpoint

*Discussion:* Luxi Chen (Euronext)

Alexandra Givry (Autorité des Marchés Financiers)

About the increasing part of fixing

Shlomo Ahal (Istra Research)

Market design: an active participant viewpoint on debated issues

Paul Jusselin (École Polytechnique)

Optimal design of derivatives market

**12h50-14h00 Lunch break**

**14h00-14h30 Keynote talk**

Nasir Zubairi (Luxembourg House of Financial Technology)

**14h30-16h20 Session 3: Liquidity**

Chair: Hersir Sigurgeirsson (University of Iceland)

Agostino Capponi (Columbia University)

Large orders in small markets: On optimal execution with endogenous liquidity supply

Patrice Fontaine (CNRS Eurofidai)

Liquidity commonality in low-latency trading platforms: Evidence from the Paris stock market

*Discussion:* Sophie Laruelle (University Paris-Est)

Jean-Pierre Zigrand (London School of Economics)

Liquidity resilience

Mathieu Rosenbaum (École Polytechnique)

Ranking market makers

**16h20-16h50 Coffee break**

**16h50-17h20 Market microstructure, exchanges and regulation: An Historical perspective, 13th-18th centuries**

Alexandre Laumonier

**19h00 Invitation-only Dinner, hosted by Governor Ásgeir Jónsson at the Central Bank of Iceland**

**Keynote speaker: Ásgeir Jónsson, Governor of the Central Bank of Iceland**

## Day 2

### 10h20-12h10 Session 4: About speed: stability and investing

Chair: Luxi Chen (Euronext)

Jack Worlidge (Bank of England)

The deeds of speed: an agent-based model of market liquidity and flash episodes

Khaladdin Rzayev (London School of Economics)

Need for speed? International transmission latency, liquidity and volatility

*Discussion:* Marcos Carreira (École Polytechnique)

Aleksey Kolokolov (University of Manchester)

High-frequency trading during flash crashes: walk of fame or hall of shame?

Nimalendran Mahendrarajah (University of Florida)

High Frequency Measures of Informed Trading and Market Microstructure of Options and Stock Markets

### 12h10-13h20 Lunch break

### 13h20-15h10 Session 5: Market design 2

Chair: Sophie Laruelle (University Paris-Est)

Iulia Manziuk (University Paris 1)

Make-take fees and dark pools

Philippe Guillot (Autorité des Marchés Financiers)

Ad Hoc Auctions

Satchit Sagade (Goethe-Universität Frankfurt)

Quasi-dark trading: The effects of banning dark pools in a world of many alternatives

*Discussion:* Bastien Baldacci (École Polytechnique)

Florian Huchede (Chicago Mercantile Exchange)

Quality of tick values: evidence from FX market

**15h10-15h30 Coffee break**

**15h30-17h20 Session 6: Systemic risk and contagion**

Chair: Jean-Pierre Zigrand (London School of Economics)

Mila Getmansky Sherman (Isenberg School of Management)

The pitfalls of central clearing in the presence of systematic risk

*Discussion:* Stephen O'Connor (London Stock Exchange, Quantile Technologies, HSBC, Systemic Risk Centre)

Kevin Houston (Rapid Addition)

We've got standards

Daniel Bias (TU Munich)

Mutual funds and derivatives: Evidence from linked fund-trade data

Jon Danielsson (London School of Economics)

Monetary policy and the term structure of volatility

**17h20-19h00 Roundtable: The future of microstructure design**

Chair: Jon Þór Sturluson, Deputy Director General, The Financial Supervisory Authority, Iceland

Shlomo Ahal (Istra Research)

Luxi Chen (Euronext)

Alexandra Givry (Autorité des Marchés Financiers)

Philippe Guillot (Autorité des Marchés Financiers)

Florian Huchede (CME)

Stephen O'Connor (London Stock Exchange, Quantile Technologies, HSBC, Systemic Risk Centre)

Nasir Zubairi (Luxembourg House of Financial Technology)

**19h00 Invitation-only Dinner**

**Day 3**

**8h00-18h00 Expedition**