



## PRICING MACRO IN EQUITY FACTORS & MODELING LIQUIDITY RISK – RSVP TODAY FOR QWAFEFW-NYC TUESDAY MAY 26

### Speakers:

**Joseph Mezrich**, Managing Director and Head of Quantitative Research, at Nomura Securities International

**Sriketan Mahanti**, Co-Founder and Managing Director at Orissa Group

**Time:** 5:30 PM – 8:15 PM

**Venue:** Patrick Conway's Pub & Restaurant (downstairs), 40 E 43rd St (between Madison & Vanderbilt), NY, NY.

### Admission (Pay at the Door):

**\$30** for Paid-Up Members of QWAFEFW-NYC in 2009; **\$40** for members of PRMIA, SQA, CQA, CAIA, GARP, any CFA society, and/or unemployed business grad students; **\$50** for all other RSVPs

**To RSVP:** Please send an e-mail [nyc@qwafafew.org](mailto:nyc@qwafafew.org) and **put date of the event you wish to attend** in Subject Line along with the names, phone numbers, Organization Names, e-mails, and membership status for all attending.

**ONLY cash or check** (to QWAFEFW) can be accepted. NO PLASTIC. Paper receipts are available upon request.

**NYC Membership Dues for remainder of calendar-year 2009 are now just \$50 – Join today.**

QWAFEFW - NYC Chapter, e-mail: [nyc@qwafafew.org](mailto:nyc@qwafafew.org) website: [www.qwafafew.org](http://www.qwafafew.org);

Administrator: Moira Hand, [mhand@qwafafew.org](mailto:mhand@qwafafew.org)

Please send checks for Membership Dues to:

Herb Blank, QWAFEFW Steering Committee c/o Rapid Ratings International, 7<sup>th</sup> Floor  
86 Chambers Street, NY, NY 10007, [hblank@qwafafew.org](mailto:hblank@qwafafew.org); (917) 992-7852

**To get on QWAFEFW Mailing Lists:** transfer the following to your browser and click [http://www.qwafafew.org/phplist/public\\_html/lists/?p=subscribe](http://www.qwafafew.org/phplist/public_html/lists/?p=subscribe). Please note that we do not automatically put all members or attendees to our meetings on this list. it is best if you do it yourself.

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### AGENDA

5:30 - 6:10 Registration, Networking, and Refreshments

6:10 - 6:15 Chapter Business

6:15 - 7:00 Presentation 1 - **How macro is priced in equity factors; A brief tour of the crisis and its aftermath** - Joseph Mezrich, Nomura Securities



Factor based investing has traditionally ignored the influence of macro forces on performance. That caused considerable pain during the credit crisis. The force of macro continues to be disruptive to many as the market has rallied – though some have figured out what needs to be done.

A number of points are reviewed, including: why value was crushed and where the opportunity for value is likely to be now. The real signal in estimate dispersion; how it affects style investing, how it reflects and reveals the state of the economy. Volatility & risk: Has something changed about the market's pricing of the VIX? There are obvious and not-so obvious implications on how to construct portfolios of factors for stock selection strategies.

7:00 - 7:15 Break - More Networking & Refreshments

7:15 - 8:00 Presentation 2 – **Liquidity Risk: Estimation and Applications - Sriketan Mahanti, Orissa Group, Inc**

Broadly speaking, liquidity is the ease with which a financial asset can be traded. Liquidity risk, on the other hand, can be defined as the uncertainty associated with the measure of liquidity. We provide empirical evidence that validates the notion that liquidity risk is not efficiently priced and provides trading opportunities if exploited properly. Further, we design an information based model of liquidity where trading agents are driven by superior information, liquidity needs, or hedging requirements. We demonstrate that such a model can predict future period liquidity.

8.00 – 8:15 PM – More Networking, Refreshments, and Libations

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### About our speakers:

**Joseph Mezrich** is Managing Director and Head of Quantitative Research, at Nomura Securities International, Inc... Prior to joining Nomura in January 2006, he served as Managing Director and Head of U.S. Quantitative and Derivatives Research at UBS, commencing in 2002. From 1998 to 2002 he was Head of Quantitative Strategies/Quantitative Strategist at Morgan Stanley. From 1987 to 1998 he was Deputy Head of the Equity Portfolio Analytics Group at Salomon Brothers. Joe received the Ph.D. in Mathematical Psychology and MA in Statistics from the University of Michigan, and received the EE and the SM degrees in Electrical Engineering from the Massachusetts Institute of Technology.

**Sriketan Mahanti** is a founder and Managing Director at Orissa Group, Inc., where he is responsible for the management of activities for product strategy and research in Liquidity Risk. Previous to this role, Mr. Mahanti spent several years at State Street Global Markets where he managed credit markets research. Prior to State Street, Mr. Mahanti was the founder of SKG Inc., a financial analytics company that was acquired by State Street. Mr. Mahanti has academic publications in area of Liquidity Risk in



reputed financial journals. Mr. Mahanti has both a B.S. and an M.S. from the Indian Institute of Technology.

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### **Other Upcoming Events:**

#### **NYU Courant Institute Workshop on High-Frequency Finance and Quantitative Strategies**

Taught by The Mathematics in Finance M.S. program

**When:** June 10-12, 2009, 3 days of intensive training from 8:30 AM to 5:00 PM

**Place:** Room 109, 251 Mercer St., New York, New York.

**Content:** a comprehensive introduction to quantitative investment management and high frequency trading, including:

Financial market microstructure for the practitioner; Mechanics of trading; Common trading strategies; How to work with high frequency data; Estimation of transaction costs and market impact models; Portfolio construction with the Black-Litterman model and robust optimization; Portfolio optimization with transaction cost ; Optimal betting and execution strategies; Simulation techniques and back-testing strategies; Multi-period dynamic portfolio optimization with transaction costs; and Performance measurement.

**Cost:** \$900, but **QWAFEFW Members receive a \$150 discount**, bringing total to \$750.

**Register:** [www.cims.nyu.edu/~mathfcon](http://www.cims.nyu.edu/~mathfcon)

**Contact for inquiries:** [mathfcon@cims.nyu.edu](mailto:mathfcon@cims.nyu.edu)

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### **June 11 – SQA Fuzzy Day 2009: Quantitative Methods in Uncertain Times**

8:00 am – 8:30 am Registration & Continental Breakfast

8:30 am - 4:45 pm Program, includes lunch

4:45 pm SQA Annual Meeting & Elections

5:00pm - 6:00pm Cocktails & Networking Reception

Cost: \$300 for SQA Members; **\$475 Non member** (join online today for member discount)

Registration Deadline: Friday, June 5<sup>th</sup>, go to [www.sqa-us.org](http://www.sqa-us.org) to register and for more info on the event and the Society of Quantitative Analysts (SQA)

Location: Credit Suisse Training Center, 11 Madison Avenue, NYC

Speakers include: Andrew Ang (Columbia U.), Oleg Bondarenko, U. Illinois, Mila Getmansky (U. Amherst), Mark Kritzman, (Windham Capital), Joseph Mezrich (Nomura Securities), Sergei Sarkissian (McGill U.), Barry Schachter (Moore Capital)

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**Certification Training ([www.prmia.org](http://www.prmia.org) – info on similar courses in other cities and PRM training everywhere also available on this site)**



Although the 2009 Complete Course in Professional Risk Management at Columbia University has started, registrations for the individual sessions (listed below) are still being accepted. The following class takes place Wednesday evenings from 6:30 - 9:30 pm at Columbia University in New York:

Governance and Case Studies - May 20 & 27, 2009.

**PRMIA and NYU Stern School of Business are offering a special 2-Day course on June 8-9 at a very reasonable fee on Valuation. Topics covered include:**

- **Discounted Cash Flow Model**
- **Discounted Cash Flow Valuation**
- **Loose Ends in Valuation**
- **The Allure of Relative Valuation**
- **The Real Options Story**

Contact [Jill.Fisher@prmia.org](mailto:Jill.Fisher@prmia.org) for more details.

**PRMIA events in June ([www.prmia.org](http://www.prmia.org) for full details and registration) include:**

June 9 Networking Receptions in both Boston & San Francisco

June 10 in Washington DC - Reforming CDS and CDO Markets

June 11 in New York - Risk Governance in a Changing Regulatory Environment

June 17 in Sao Paolo – Credit Risk Management as part of its Global Event Series

**Future QWAFEFW-NYC Meetings (all Tuesdays unless otherwise indicated)**

Jun 23<sup>rd</sup>, 2009 – Seddik Meziani, Montclair State University, & Ronit Walny, Kellogg Specialists

Jul 21<sup>st</sup>, 2009 - Mary Ann Bartels, Merrill Lynch US Equity Strategist and C. Michael Carty New Millennium Advisors

Wednesday Aug 19<sup>th</sup>, 2009 - Diane Garnick, Equity Strategist, INVESCO and Herbert Blank, Rapid Ratings International

Sep 22<sup>nd</sup>, 2009 Ian Domowitz, ITG and Jennifer Bender, MSCI Barra

Oct 27<sup>th</sup>, 2009 - Dan DiBartolomeo, Northfield Information Systems & Jason MacQueen, Alpha Strategies

Nov 20<sup>th</sup>, 2009 – To be confirmed

Wed, Dec. 9, 2009 - Open for volunteers

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**ABOUT QWAFEFW [quaff- a -few], the Quantitative Alliance for Applied Finance Economics & Wisdom,** is an informal professional association with chapters in various states of functionality throughout the globe. A typical QWAFEFW meeting includes topics of discussion on quantitatively oriented investment industry issues along with the opportunity to network, relax, and enjoy libations. Please visit [www.qwafafew.org](http://www.qwafafew.org) to learn more about the organization, its resources, and the events held by our many chapters. Our dress code, rules of “etiquette” and everything else are strictly casual.



Members of linked-in are welcome to join the QWAFEFW networking group on that site. The URL is <http://www.linkedin.com/e/gis/59644/530E700BF98A>; Recruiters, Human Resource professionals, and job-seekers are highly encouraged to use the Jobs Board on this site. If you have not been permissioned in advance, please e-mail [hblank@qwafafew.org](mailto:hblank@qwafafew.org). Others may post events & discussions.

QWAFEFW Chapter efforts continue for LA Metro, Princeton, and London. If you or a friend to whom you pass this on is interested in helping in any of these efforts, or if you wish to explore the potential of starting a chapter somewhere else, please contact Herb Blank at [hblank@qwafafew.org](mailto:hblank@qwafafew.org). Also, e-mail [hblank@qwafafew.org](mailto:hblank@qwafafew.org) if you need help getting in touch with our other active chapters in Boston, Chicago, Denver, DC, Hartford, San Francisco, Sao Paolo, Toronto, and Vancouver.

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