REFERENCE LIST
March 2018

Identifying the real risk

March 2018 – Joseph Mariathasan (Contributing editor at IPE)

Risk, like beauty, is in the eye of the beholder. The first half of February surprised markets with a sudden collapse in the value of risky assets followed by a rebound.

Volatility spiked and investors in volatility exchange-traded funds, which depend on stable markets, lost their shirts. Volatility, however, is not the risk long-term investors should be worried about. The biggest risk is that of permanent losses. But it could also be thought of as the risk of forcing sub-standard returns through policy mistakes.

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Emerging Markets: Ballots ahead

March 2018 – Rodrigo Amaral (Freelance writer specializing in Latin American and European risk management and insurance markets)

Elections in key countries could put investor confidence to the test. Key emerging market countries will hold elections during 2018 and 2019, raising the prospect of political risk.

This year, Russia, Mexico, Brazil, Colombia, Hungary and possibly Turkey will go to the polls to choose new governments or to grant new mandates to current ones. In 2019, it is the time of India and South Africa, among other countries.

Elections will also take place in the next two years in frontier – or recently upgraded – countries such as Argentina, Pakistan, Iraq, Egypt and Venezuela.

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Some emerging markets are more equal than others

March 2018- Fabiana Fedeli (Head of Global Fundamental Equities)

2017 was the year of the dramas that did not unfold. President Trump did not stop international trade, Kim Jong-un did not start a nuclear conflict, and equity markets did not collapse following the Fed's rate hikes. What equity markets did do, was keep an eye on fundamentals, with global growth picking up and earnings improving across not only developed markets but also emerging markets.

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Dynamic risk measures for stochastic asset processes from ruin theory

February 2018 – Yasutaka Shimizu and Shuji Tanaka

This article considers a dynamic version of risk measures for stochastic asset processes and gives a mathematical benchmark for required capital in a solvency regulation framework. Some dynamic risk measures, based on the expected discounted penalty function launched by Gerber and Shiu, are proposed to measure solvency risk from the company's going-concern point of view. This study proposes a novel mathematical justification of a risk measure for stochastic processes as a map on a functional path space of future loss processes.

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REFERENCE LIST
March 2018

Credit benchmarks too sensitive to interest rates, investors warn

March 2018 – Barbara Ottawa (www.ipe.com)

There is currently a mismatch between off-the-shelf benchmarks for credit portfolios and the actual duration required by a long-term investor like an Austrian Pensionskasse in fixed-income portfolios, according to experts.

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Value Investing - A Contrarian Bet Within European equities

March 2018- Per Kronborg Jensen (Senior Portfolio Manager, Sparinvest)

When investors structure and diversify their equity portfolios, a key reference is the value/growth style framework that has dominated the fund industry for decades. Once target allocations are set, investors then select the funds offering the most appropriate risk and reward characteristics. When investors evaluate individual funds, it is only natural that one consideration is historical performance against a benchmark or a peer group, where funds are compared to others with a similar style.

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Can "Being Green" Deliver Enhanced Returns?

February / March 2018 – Dr. Richard Mattison (Chief Executive Officer at Trucost)

We often hear of the need to address risks resulting from environmental issues in financial markets. Research by The Economist Intelligence Unit, "The Cost of Inaction," estimates the value at risk from climate change impacts as ranging from USD 4.2 trillion to USD 43 trillion between now and the end of the century. Over time, as climate risks become more financially material, one would expect markets to positively reward companies that are taking steps to reduce their environmental impact.

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Fed's Curti: SMA will smooth capital mismatches

March 2018 – Tom Osborn (desk editor of Risk.net's risk management coverage)

OpRisk North America: non-US banks holding less capital under own-models approach was "a big problem", says regulator. The Basel Committee's decision to scrap the use of operational risk modelling in favour of a single standardised approach will help solve the "big problem" of non-US banks holding significantly less capital than their US peers on average, according to a senior US regulator.

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REFERENCE LIST
March 2018

Web-enabled devices raise cyber risk fears

March 2018 – Dan DeFrancesco (Staff writer for Risk.net's)

The internet of things (IoT) is forcing banks to confront the threat that all manner of web-connected devices pose to information security.
IoT consists of physical devices – anything from wireless printers to Fitbits – that connect to the internet and have the ability to collect and report data. The prevalence of such devices has risen sharply in recent years – there will be 20.4 billion IoT devices by 2020, according to research and advisory firm Gartner, up from 6.4 billion in 2016

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Reputation Risk Losses Set to Spike?

March 2018 – Hilary Tuttle (Senior Editor of Risk Management Magazine at RIMS)

According to a study from Steel City Re, companies may see a significant increase in financial losses stemming from corporate reputation crises this year, potentially doubling those from 2017. Last year, the firm's research showed a 461% increase in corporate reputation-related losses during the five years leading up to and ending in 2016.

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UPCOMING EVENTS

Cohort and Value-Based Multicountry Longevity Risk Management

Webinar: Cohort and Value-Based Multicountry Longevity Risk Management

April 24th 2018 – Jonathan Ziveyi (UNSW Australia Business School, School of Risk & Actuarial Studies), Yajing Xu (UNSW Australia Business School, School of Risk & Actuarial Studies), Michael Sherris (University of New South Wales - ARC Centre of Excellence in Population Ageing Research and School of Risk and Actuarial Studies; UNSW Australia Business School)

Longevity risk management for guaranteed lifetime income streams requires consideration of both interest rate and mortality risks. This paper develops a cohort-based affine term structure model for multi-country mortality developments and uses an arbitrage-free multi-country Nelson-Siegel model for the dynamics of interest rates.

Time: April 24th, 2018 at 2pm EDT (https://iaaevents.webex.com)

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31st International Congress of Actuaries (ICA 2018)

4th–8th June 2018, Berlin, Germany

Like no other metropolis in Europe, Germany's capital symbolizes the breakdown of old structures and the beginning of a new era of understanding and cooperation. May the unique atmosphere of a city that has re-invented itself in recent decades inspire you to be an integral part of a vibrant International Congress of Actuaries in 2018. Come and join colleagues working together, at an event without cultural or geographical barriers.

Find out more about the ICA 2018

UPCOMING EVENTS

43rd Enrollment Actuaries Meeting

April 8th-11th, Marriott Wardman Washington DC

The meeting offers a variety of panels and workshops, covering a wide range of topics and issues relevant to Enrolled Actuaries and other pension professionals. The meeting registration includes an exhibit of products and services geared to Enrolled Actuaries.

For More Information and Registration

"Derivatives Challenge, John Hull award"

April 9th- June 11th, On-Line

Torneo único en su tipo en México y LatAm. Tiene una duración de dos meses. Durante este tiempo podrás operar contratos de Futuros y Opciones listados en el Mercado Mexicano de Derivados, MexDer. Los precios y cotizaciones son en tiempo real y durante el torneo, los participantes registrados en tiempo y forma deberán de operar y generar el máximo rendimiento en su portafolio para lograr posicionarse entre los 3 primeros lugares y hacerse acreedores de los siguientes premios.

1er lugar (John Hull Award): $10,000 USD*
2do lugar: $5,000 USD
3er lugar: $2,500 USD

For More Information and Registration

UPCOMING EVENTS

Risk Management & Trading Conference

June 20th-23th, Hotel Westin Santa Fé, México

One of the primary objectives of this Conference is to provide through Workshops, Presentations and Round Table Discussions the latest advances in Risk Management, Trading, Technology and Market Regulation, and to transmit all this knowledge by local and international authorities in the field.

Some other objectives of this Conference are to explain and show in detail the current situation and where the Global Financial Industry is heading, advances in Pricing, and how intermediaries and direct or indirect participants of markets need to be prepared to remain competitive in spite of the new challenges and paradigms that are present nowadays.

For More Information and Registration