

The background image shows a wide view of the Liberty Bridge in Budapest, Hungary, spanning the Danube River. The bridge's green steel truss structure is prominent in the foreground. In the background, the Hungarian Parliament Building, a large neoclassical building with many windows and arches, stands on the riverbank. The city of Budapest is visible in the distance under a cloudy sky.

16th Annual Financial Markets and Liquidity (AFML) Conference

Budapest, Hungary, 15-17 October 2025

Conference Program

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Program

Wednesday 15th October 2025

All times are in CET

17:00 – 18:00 *Registration and dinner*

18:00 – 20:00 *Dinner and drinks*

19:00 – 19:45 *Editor Plenary Session*

19:45 – 20:45 *Special topics fireside chats with 4 topics:*
AI and Machine Learning (moderated by Prof. Andras Fülöp from ESSEC),
Mathematical finance and Game theory (moderated by Prof. Peter Csóka from CUB),
Household finance (moderated by Assoc. Prof Zsuzsa R. Huszar from CUB),
Sustainable Finance (moderated by Assoc. Prof. Helena Naffa from CUB).

20:45 – 21:00 *Farewell*

Thursday 16th October 2025

All times are in CET

08:30 – 09:15 *Registration, coffee (Lecture room III, aula)*

09:15 – 09:30 *Opening, Welcome speech by the Rector (Lecture room III), and the Organizing Committee*

	Plenary Session - Keynote I. Chair: Zsuzsa R. Huszár
09:30 – 10:30	<i>Jeffrey Pontiff: A Century of Market Reversals: Resurrecting Volatility</i>

10:30 – 11:00 *Registration, coffee*

11:00 – 13:00	Parallel sessions (with 4 papers, each 30 minutes)			Flash Talks (7 papers, 15 mins)
Session Title, Chair	Special Session: Mathematical Finance and Game Theory Chair: Péter Csóka	Session 1 Asset Pricing I: Machine Learning and LLM Chair: Christophe Schalck	Session 2 Corporate Finance I: Financing and Monitoring Chair: Igor Lončarski	Flash Talk I: Mathematical Finance and Machine Learning Chair: András Fülöp and Robert Faff
Papers	<p>Modelling Contagious Bank Runs <u>Luitgard Anna Maria Veraart.</u></p> <p>On the Core of Tree Enterprise Games <u>Tamás Solymosi.</u></p> <p>Through-the-Cycle PD Estimation Under Incomplete Data. A Single Risk Factor Approach <u>Barbara Dömötör, Ferenc Illés.</u></p> <p>The Interoperability of Financial Data Elif Cansu Akoguz, Tarik Roukny, <u>Tamas Vadasz.</u></p>	<p>Memory and Beliefs in Financial Markets: A Machine Learning Approach Zhongtian Chen, <u>Jiyuan Huang.</u></p> <p>AI Infrastructure, Firm Value and Expected Stock Returns <u>Yi Zhou.</u></p> <p>How can a Fed Chair not be an actor? <u>László Kiss Marcell, Milán Csaba Badics.</u></p> <p>Evaluating the Impact of Climate Risk Measures on Firm Value: A Cross-country Study Using Machine Learning Models Seungho Lee, <u>Christophe Schalck</u>, Meryem Yankol-Schalck.</p>	<p>Institutional Investors' Monitoring Incentives in Corporate Bonds Itay Kedmi, <u>Guy Lakan.</u></p> <p>Proximity Peril: The Effects of Neighbouring Firms' Biodiversity Risk on Firm Value <u>Chenhao Guo, Rui Zhong.</u></p> <p>Maturity Choice, Debt Rollover, and Asymmetric Information Christian Hilpert, Stefan Hirth, Jan Pape, <u>Alexander Szimayer.</u></p> <p>Eyes on ESG: Unlocking the Power of CEO Letters <u>Igor Lončarski</u>, Katarina Sitar Šuštar, Aljoša Valentinčič.</p>	<p>A Natural Copula <u>Peter B. Lerner.</u></p> <p>The Random Matrix-Based Informative Content of Correlation Matrices in Stock Markets <u>Laura Molero González</u>, Roy Cerqueti, Raffaele Mattera, Juan E. Trinidad Segovia.</p> <p>Does Central Bank Tone Matter for Fama-French Factor Returns? <u>Marcell P. Granát</u>, Bence Siket.</p> <p>Directed R2 Connectedness Measures Márton Espán, <u>Milán Csaba Badics.</u></p> <p>A New Approach to Measure Causal Network Connectedness Milán Csaba Badics, <u>Márton Espán.</u></p> <p>Foreign Exchange and Energy: Mapping Risk and Return Connectedness in Developed and Emerging Economies Florin Aliu, Ujkan Bajra, <u>Renata Karkowska</u>, Szczepan Urjasz.</p> <p>Forecasting Price Volatility of Non-Ferrous Metals: A Comparison of Econometric, Machine Learning, and AI Models <u>Rafal Sieradzki</u>, Slawomir Kwiatek.</p>

13:00 – 14:30 *Lunch break, registration*

14:30 – 16:00	Parallel sessions (with 3 papers, each 30 minutes)			Flash Talks (5 papers, 15 mins)
Session Title, Chair	Special Session: Household Finance Chair: Zsuzsa R. Huszar	Session 3 Asset Pricing II: Price Predictability Chair: Florian Borchard	Session 4 Financial Intermediation I: Risk distribution Chair: Adam Zawadowski	Flash Talk II: Banking and Regulation Chair: Robert Faff and James Steeley
Papers	<p>What is the key consideration in households' financial decision making in Hungary: Bargaining position or efficient time sharing? <u>Zsuzsa R. Huszár</u>, Erzsébet T. Varga.</p> <p>Soft Negotiators or Modest Builders? Why Women Earn Lower Real Estate Returns <u>Laurent Bach</u>.</p> <p>Is the ECB's monetary policy doomed to overshoot? Consequences of omitting owner-occupied housing from the HICP <u>Sofie Waltl</u>.</p>	<p>Liquidity Supply, Frequent Trading, and Stock Returns <u>Sergey Isaenko</u>.</p> <p>Momentum at Long Holding Periods Paul Calluzzo, <u>Fabio Moneta</u>, Selim Topaloglu.</p> <p>Pieces of the index option return puzzle: Some new evidence Rainer Baule, <u>Florian Borchard</u>.</p>	<p>Bank Diversification and Tail Risk Priyank Gandhi, <u>Darius Palia</u>, Jasper Pan.</p> <p>Credit Scoring Technology and Regime Transitions in the Non-Prime Mortgage Market <u>Jaime Luque</u>.</p> <p>Private Credit: Risks and Benefits of a Maturity Wall Rui Albuquerque, <u>Adam Zawadowski</u>.</p>	<p>Is Bail-In Regulation Credible? Evidence from EU Banks' Bond Issuance <u>Leyla Yusifzada</u>, Robert Faff.</p> <p>Capital Requirements, Credit Supply, and Real Effects on Firms <u>Bálint Várgedő</u>.</p> <p>Systemic Risk and Climate Change: A Common Impact of Transition and Physical Climate Risks on the Polish Banking Sector <u>Ewa Dziwok</u>, Witold Szczepaniak.</p> <p>Liquidity Provision vs. Demand and Information Advantage: A Comparison of Short- and Long-Term Institutions Menachem (Meni) Abudy, <u>Avi Wohl</u>.</p> <p>Failing Public Procurement Procedures in the EU Tünde Tátrai, <u>Péter Juhász</u>, Gyöngyi Vörösmarty, David Tresó.</p>

16:00 – 16:30 *Coffee break*

16:30 – 18:00	Parallel sessions (with 3 papers, each 30 minutes)			Flash Talks (5 papers, 15 mins)
Session Title, Chair	Session 5 Macro Finance I: Systematic Risk Chair: Orit Milo	Session 6 Asset Pricing III: Complex Instruments Chair: Leander Gayda	Session 7 Financial Intermediation II: Central Bank and Policy Transmission Chair: Lui-Hsian Wong	Flash Talk III: Macro Policy and Household Finance Chair: Robert Faff and Laurent Bach
Papers	<p>The Insurance Industry under COVID-19 Pandemics <u>Yaffa Machnes</u>, Yochanan Shachmurorove, Roi D. Taussig.</p> <p>International Financial Integration, Economic Growth and Threshold Effects: Some Panel Evidence for Europe <u>Guglielmo Maria Caporale</u>, Anamaria Diana Sova, Robert Sova.</p> <p>Debt Maturity Choice and Aggregate Growth <u>Orit Milo</u>, Jacob Sagi.</p>	<p>Same Same But Different: The Risk Profile of Corporate Bond ETFs <u>Johannes Dinger</u>, Marcel Müller, Aleksandra Rzęznik, Marliese Uhrig-Homburg.</p> <p>Integrating Credit and Equity Markets: A Novel Benefit of Convertible Bonds <u>Alexey Ivashchenko</u>, Rex Wang Renjie.</p> <p>Inferring the Trade Direction in Option Auctions <u>Leander Gayda</u>.</p>	<p>Geopolitics meets monetary policy: decoding their impact on cross-border bank lending Swapan-Kumar Pradhan, Viktors Stebunovs, Előd Takáts, <u>Judit Temesvary</u>.</p> <p>Bagehot's Rule, Collateral, and Solvency <u>Lukas Voellmy</u>.</p> <p>Long-Term Implications of a Digital Euro on Liquidity and Funding Costs in the German Banking System Ulrich Krüger, <u>Lui-Hsian Wong</u>.</p>	<p>The Role of Tax-Free Investment Opportunities in Household Financial Decisions: Real-World Implications of Tax-Exempt Hungarian Government Securities Zsuzsa R. Huszár, <u>Erzsébet T. Varga</u>.</p> <p>Nonlinear Transmission of Monetary Policy and Housing Market Imbalances: Evidence from a Factor-Augmented Threshold VAR Analysis <u>Péter Horváth</u>.</p> <p>Workforce Exposure to LLMs by Human Capital, Including Foreign Language Proficiency <u>Balázs Szabó</u>, Eszter Baranyai, Gábor Neszveda.</p> <p>Optimal Sharing of Family Tax Allowance Among Parents: Personal Income Tax Optimization Strategies in Hungary <u>Erzsébet T. Varga</u>, Petra Németh, Mátyás Kulisity.</p> <p>Trade War and Price Response: Firm-Level Evidence from the 2025 U.S. Tariff Shock <u>Márton Ács</u>, Eszter Baranyai, Gábor Neszveda.</p>

19:00 – 22:00 *Conference dinner (by invitation/registration only).*
Location: 9 Szechenyi Istvan Square, Hungarian Academy of Sciences

Friday 17th October 2025

All times are in CET

08:30 – 09:00 *Registration, coffee (Lecture room III, aula)*

	Plenary Session - Keynote II. Chair: Helena Naffa
09:00 – 10:00	Andrea Vedolin: <i>Expectations in Asset Pricing</i>

10:00 – 10:30 *Registration, coffee*

10:30 – 12:30	Parallel sessions (with 4 papers, each 30 minutes)			Flash Talks (8 papers, 15 mins)
Session Title, Chair	Special Session: AI & Machine Learning Chair: András Fülöp	Session 8 Market Microstructure I: Fragmentation Chair: Gyuri Venter	Session 9 Financial Intermediation III: Liquidity Chair: Alfonso Rosa-Garcia	Flash Talk IV: ESG and Sustainability Chair: Simona Mateut and James Steeley
Papers	<p>A Greenwashing Index <u>Elise Gourier</u>, Hélène Mathurin.</p> <p>Liquidity Risk and Labor Market via Heterogeneous Investors Xiaoji Lin, Lin Xie, Runhuan Wang, <u>Yucheng Yang</u>.</p> <p>A Comprehensive Machine Learning Framework for Dynamic Portfolio Choice With Transaction Costs Luca Gaegauf, Simon Scheidegger, <u>Fabio Trojani</u>.</p>	<p>Impeded Flights in the European Sovereign Debt Crisis <u>Yuanyuan Gao</u>, Per Östberg, Thomas Richter.</p> <p>The Modern Bond Market <u>Tomy Lee</u>, Chaojun Wang, Adam Zawadowski.</p> <p>Market Fragmentation: A Cushion Against Exchange Outages? Hans Degryse, Björn Hagströmer, <u>Niklas Landsberg</u>.</p>	<p>Redemption Fees and Gates in the Lab <u>Hubert János Kiss</u>, Alfonso Rosa Garcia, Lukas Voellmy.</p> <p>Bank Stability, Asset Prices, and Liquidity Regulation Monika Bucher, <u>Diemo Dietrich</u>, Mich Tvede.</p> <p>Bank Runs in Large Experimental Banks Hubert Kiss, Ismael Rodriguez-Lara, <u>Alfonso Rosa-Garcia</u>.</p>	<p>Driving Quality in Environmental, Social, and Governance Disclosures: The Role of Information Technology and Auditors in Ethiopia <u>Fekadu Agmas Wassie</u>, Lakatos László Péter.</p> <p>ESG and Asset Pricing Models: Comparison of UK and USA Markets <u>Sachini Welandawe</u>, Vasco Vendrame, Ismail Adelopo.</p> <p>Do Green Customers Green-light Suppliers' Debt Financing: Evidence from Sustainable Development Goals <u>Zhao Fujie</u>, Joey Yang, Chenhao Guo.</p> <p>Cybersecurity Disclosure in European Companies: The Role of ESG Score and Board Characteristics <u>Le Ngoc Thuy Trang</u>, Felix Buabeng-Andoh, Drahomíra Pavelková, Chune Young Chung.</p>

10:30 – 12:30	Parallel sessions (with 4 papers, each 30 minutes) (Con'd)			Flash Talks (8 papers, 15 mins) (Con'd)
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Papers	A Bayesian Gaussian Process Dynamic Factor Model Tony Chernis, <u>Niko Hauzenberger</u> , Haroon Mumtaz, Michael Pfarrhofer.	Exchange-Traded Liquidity Lars C. Larsen, <u>Gyuri Venter</u> , Paul Whelan.		Macro Risks and Their Impact on Insurers' Stock Prices: Analyzing Climate, Geopolitical, and Cyber Threats Karolina Puławska, Artur Sikora, <u>Malgorzata Snarska</u> , Wojciech Strzelczyk. An Empirical Analysis of the Impact of Natural Disasters on Financial Markets and Financial Stocks in Southeast Asia Zsuzsa R. Huszar, <u>Anita Lovas</u> . Credit Supply and Decarbonisation: Firm-Level Evidence from the Euro Area <u>Neža Ahčin</u> , Matej Marinč, Matic Petriček. When Green Finance Meets Innovation <u>Emilia Németh-Durkó</u>

12:30 – 14:00 *Lunch break, registration*

14:00 - 15:30	Parallel sessions (with 3 papers, each 30 minutes)		
Session Title, Chair	Special Session: Climate Finance Chair: Helena Naffa	Session 10 Asset Pricing IV: Fund Manager Chair: Anna Zsofia Csiky	Session 11 Macro Finance II: Central Bank and Monetary Markets Chair: Ljubica Georgievska
Papers	<p>A Parametric Approach to Real Estate Investing: Integrating Quality and Climate Risk Massimo Guidolin, <u>Milena Petrova</u>.</p> <p>Biodiversity physical and transition risk: the relationship with firm financial performance <u>Xinglin Li</u>, Helena Naffa.</p> <p>Mandatory CSR Spending and Stock Price Crash Risk <u>Simona Mateut</u> and Shiwani Varal.</p>	<p>Asset (and Data) Managers <u>Marco Zanotti</u>.</p> <p>The Influence of Manager Characteristics on Mutual Fund Performance: Does Gender Play a Role? <u>Anna Zsofia Csiky</u>, Stefan Pichler.</p>	<p>Knowledge and Influence: Mapping the Research Landscape Across the Most Prominent Central Banks Dalma Fekete, <u>Eszter Baranyai</u>, Gábor Neszveda.</p> <p>Institutional Entrepreneurship at the First Joint Stock Bank in England and the Strategy of 'Controlling the Narrative' Plamen Ivanov, <u>Richard Werner</u>.</p> <p>The Biggest Short: Duration in the Shadows <u>Ljubica Georgievska</u>, Anthony Saunders.</p>

15:30 - 16:00 *Farewell, Coffee break*

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