



Isenberg School News

Nobel Economics Laureate Visits the Isenberg School

In November, Nobel economics laureate **Robert F. Engle** presented a lecture, "Anticipating Correlations," under the aegis of the Isenberg School's Fall Finance Seminar series.

In his presentation, Dr. Engle evaluated time series methods for forecasting correlations in high-dimensional problems. To that end, he compared the performance of different forecasting models by applying them to daily returns from 18 U.S. large cap stocks. Dr. Engle's results demonstrated the superiority of the Dynamic Conditional Correlation model, his own blend of two models.

Dr. Engle emphasized that his approach, as applied to the forecasting of financial risk, accommodates adaptation to new types of risks without allowing unexpected "Black Swan" events to cast undue influence on the approach's performance.

Dr. Engle shared the Nobel Prize in Economics with Clive Granger in 2003 for his methods of analyzing economic time series with a family of models known as ARCH (autoregressive conditional heteroskedasticity). His ARCH models have become indispensable tools not only for researchers, but also for analysts of financial markets, who use them in asset pricing and in evaluating portfolio risk.

Dr. Engle is the Michael Armellino Professor in Management of Financial Services at New York University's Stern School of Business. He has also been on the faculties of MIT and the University of California at San Diego.



INFORMS UMass Amherst chapter faculty advisor Professor Anna Nagurney, Zugang "Leo" Liu (2005-2006 chapter president), Christian Wernz (2006-2007 chapter president), and chapter member Dayo Shittu.

UMass Amherst INFORMS Chapter Receives Top Honor at National Conference

On Tuesday, November 6, 2007, the University of Massachusetts Amherst student chapter of INFORMS (Institute for Operations Research and the Management Sciences) received the INFORMS *Student Chapter Annual Award Summa Cum Laude* at the national INFORMS Conference in Seattle. This highest distinction given to a student chapter recognizes the outstanding achievements of the chapter in 2006. There are approximately 60 INFORMS student chapters, with the majority of them in the U.S.

A plaque representing the award was given at the chapters/fora officers' breakfast, which was attended by two past presidents of the student chapter, Zugang "Leo" Liu of the Isenberg School of Management and Christian Wernz of the College of Engineering. John F. Smith Memorial Professor Anna Nagurney, the chapter's faculty advisor, was also at the awards ceremony as well as several additional members of the student chapter. The chapter's 2007-2008 president is **Patrick Qiang**.

The chapter is widely recognized for its speaker series, which brings outstanding speakers to the Isenberg School of Management. The chapter is also admired for its variety of social and community activities and the esprit de corps of its members. Members of the chapter include students from the Isenberg School of Management, the College of Engineering, the Department of Computer Science, the Department of Resource Economics, and other departments at UMass Amherst.

This is not the first major recognition of the UMass Amherst student chapter. In 2006, Tina Wakolbinger, who received her Ph.D. from ISOM in 2007 and is now an assistant professor at the Fogelman School of Business and Economics at the University of Memphis, was awarded the Judith Liebman Award from INFORMS for her leadership as president of the chapter and for being the speaker series coordinator for 2004-2005 and 2005-2006. In addition, in 2005, Professor Anna Nagurney was awarded the Moving Spirit Award from INFORMS for her role as faculty advisor of the student chapter.