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University of Luxembourg
Joint Inaugural Lecture
(with Professor Grammatikos)

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Monday, 6 December 2010
18h00

Campus Limpertsberg
Amphithéâtre Tavenas
102a, avenue Pasteur
L-2311 Luxembourg

UNIVERSITÉ DU LUXEMBOURG

Faculté de Droit, d'Économie et de Finance

LUXEMBOURG SCHOOL OF FINANCE

Prof. Thorsten Lehnert

Fostering derivatives research to prevent the next financial crisis

Every catastrophe needs its villains. The derivatives markets have been accused lately for being the devil in the recent financial crisis. The mainstream press had delivered the consensus judgment that (deregulated) derivatives caused the crisis by adding unfathomable levels of systemic risk. Derivatives were criticized to have become instruments of financial speculation; as such they have destabilized the financial system and catalyzed the ongoing economic crisis. This criticism will be discussed, but the purpose of the lecture is to elaborate on Professor Lehnert's personal research agenda at the Luxembourg School of Finance.

Understanding derivatives trading and its role in the crisis is essential to successfully refining the practice of finance. The research agenda that will be presented includes topics like the behavioural heterogeneity in option trading, the econometrics of option pricing, information flows across stock-, options-, and credit derivative markets and applications of derivative pricing approaches to quantify and monitor financial stability.

Thorsten Lehnert (1970) is Professor of Finance at the Luxembourg School of Finance at the University of Luxembourg since October 2009. He received a PhD degree from the School of Economics and Business at Maastricht University and holds an economics degree from the University of Bonn. Professor Lehnert previously held positions at Maastricht University and Radboud University Nijmegen, where he taught in undergraduate, graduate and MBA programs. Before he joined the University of Luxembourg, he served as director of the research master program at Maastricht University, board member of the Maastricht Research School of Economics of Technology and Organizations and academic advisor to the Dutch Ministry of Finance.

Professor Lehnert has published widely on financial risk management, international finance, as well as on Behavioural Finance in academic journals including Management Science, Oxford Bulletin of Economics and Statistics, Journal of International Money and Finance and Journal of Derivatives. His research interests focus on investments, financial derivatives, credit risk, market volatility and investor psychology.

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Introduction by André Prüm, Dean of the Faculty of Law, Economics and Finance. A reception will be held after the conference.