



Nanyang Technological University
DIVISION OF ECONOMICS
Seminar Series

The Division of Economics invites you to a seminar by Professor Chihwa Kao

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- Speaker** : **Professor Chihwa Kao**
*Department of Economics,
Syracuse University, USA*
- Topic** : **"Identification and Estimation of A Large Factor Model with Structural Instability"**
- Chairperson** : **Assistant Professor Feng Qu**
*Division of Economics
School of Humanities & Social Sciences*
- Date** : **Monday, 5 January 2015**
- Time** : **2:30 – 3:30 pm (seminar)**
3:30 - 4:00 pm (meeting with students)
- Venue** : **Meeting Room 5** (HSS 04-89)
*Nanyang Technological University
School of Humanities and Social Sciences
14, Nanyang Drive
Singapore 637332*

About the Speaker:

Professor Kao is a professor of economics at Syracuse University. He chaired the economics department during 2010-2013. He is also the former president of Chinese Economic Association in North America. He is ranked No. 71 in the worldwide rankings of authors in econometrics by RePEc's December 2013 Rankings. He specializes in econometrics and financial economics. He has published in leading international journals, including *Econometrica*, *Journal of Econometrics*, *Review of Economics and Statistics* and *Journal of the American Statistical Association*, etc.

Abstract:

This paper tackles the identification and estimation of a large factor model with a single large break. We allow for a change in the number of factors which can be emerging or disappearing factors. We also allow for partial change in the factor loadings and for cases where a change in the factor loadings do not lead to extra pseudo factors. Consistency of the estimated number of factors and the estimated factor space are established under fairly general assumptions. The convergence rate of the estimated factor space is the same as in Bai and Ng (2002) obtained for a stable model. The finite sample performance of our estimators is investigated in simulations.

Reservation:

Admission is free. Please reply to d-egc@ntu.edu.sg to confirm your attendance.