



The Abdus Salam
International Centre for Theoretical Physics



*School and Workshop on Market Microstructure:
Design, Efficiency and Statistical Regularities*

21 - 25 March 2011
Miramare - Trieste, Italy

The Abdus Salam International Centre for Theoretical Physics (ICTP, Trieste, Italy) is organizing a *School and Workshop on Market Microstructure: Design, Efficiency and Statistical Regularities* be held at the ICTP, from 21 - 25 March 2011.

DESCRIPTION: Market microstructure is the branch of financial economics that investigates the effects of market structure and individual behavior on the process of price formation. It deals with issues - such as the impact that a specific trading mechanism might have on price behavior and with the comparison of the performance of alternative market structures -- which have important implications for market regulation and for the design of trading mechanisms. These issues are of utmost importance for understanding how market prices respond to trading and for developing market models for illiquid markets, going beyond models currently used in asset pricing theories, which assume perfect liquidity.

Several different communities have addressed these issues: Game theorists have emphasized micro-economic behavior and issues of information efficiency, whereas the community of agent-based modeling in computational economics has addressed the interaction between the organizational features of a market and the behavior of heterogeneous traders. Econometricians and statistical physicists have worked extensively on the characterization of the statistical regularities of the induced stochastic dynamics of prices. Much emphasis has been put on universal properties, considerably less on those properties which arise as statistical signatures of a given exchange protocol. Understanding the emergent behavior of price dynamics, in terms of information and allocation efficiency, and how this is affected by a particular market mechanism is the central theme of the workshop. This is a very important issue, both for the design of exchange protocols and for developments in financial engineering. The workshop will also focus on issues of financial systemic stability, risk management and asset pricing in illiquid markets, financial networks, and contagion effects.

The workshop will be preceded by an introductory school of 2 days giving an overview of basic topics in market micro-structure and empirical behavior of financial markets.

PARTICIPATION: Scientists and students from all countries that are members of the United Nations, UNESCO or IAEA may attend. As the Workshop will be conducted in English, participants should have an adequate working knowledge of this language. Although, the main purpose of the Centre is to help research workers from developing countries, through a programme of training activities within a framework of international cooperation, a limited number of students and post-doctoral scientists from developed countries are also welcome to attend.

As a rule, travel and subsistence expenses of the participants should be borne by their home institution. Every effort should be made by candidates to secure support for their fare. However, very limited funds are available for partial support of some participants who are nationals of, and working in, a developing country, and who are not more than 45 years old. Such support is available only for those who attend the entire Workshop. **There is no registration fee for attending this activity.**

HOW TO APPLY FOR PARTICIPATION

An Online Application Form can be accessed through the Workshop website
<http://agenda.ictp.it/smr.php?2229>

Once in the website, comprehensive instructions will guide you step-by-step on how to fill out and submit the Application Form.

WORKSHOP SECRETARIAT:

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ORGANIZERS:

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(University of Venice, Italy)

LOCAL ORGANIZER:

Matteo MARSILI
(ICTP, Trieste, Italy)

CONFIRMED INVITED SPEAKERS:

Frederic ABERGEL
(École Centrale Paris, France)

Carlos ALÓS-FERRER
(University of Konstanz, Germany)

Jean-Philippe BOUCHAUD
(Capital Fund Management, Paris, France)

Sjur D. FLAM
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Deadline for Application:
15 NOVEMBER 2010