

Princeton, Illinois Tech, U Chicago host quantitative trading conference

Shachi Sayata
TECHNEWS WRITER

November 7 was a pivotal day for all quantitative trading enthusiasts since it marked the day of perhaps the most important conference in the field. Princeton University, Illinois Institute of Technology and University of Chicago collaborate twice a year in order to organize this highly-intellectual event. This fall, it was conducted at Illinois Tech's downtown campus and was attended by a large number of students from all over the country. The speakers of this year's conference included the who's who of the finance industry like Blair Hull from Hull Trading Company, Daniel Nehren from Citadel, Ingrid Tierens from Goldman Sachs and Jess Stauth from Quantopian to name a few.

It was a great learning opportunity for all students and was more like an intensive trading workshop than just merely a conference. A wide array of subjects were explored during the conference like risk management, quantitative modeling, high frequency trading, and algorithmic trading. It had three intensive sessions conducted by over 20 speakers. A detailed brochure was provided at the beginning of the conference to all attendees that contained information regarding the speakers as well as their topic of presentation.

The keynote speaker Micheal Li acted as the session chair and provided the attendees with a brief overview of the conference. This was followed by a presentation titled "Execution as a critical component of the investment process" by Daniel Nehren, who is the Managing Director at Citadel. He spoke about how the liquidity landscape today has

become more complex than before because of the number of instruments in the market and interlinked factors that influence these instruments. Technology has indeed made things more sophisticated but there remains a critical need to acquire a holistic view on liquidity. At the end of the day it all boils down to a single question, "Who has more alpha?" He was able to distinguish between the execution strategies on the buy side and sell side and emphasized on the importance of having a good execution strategy. He remarked, "Unless finance ends, you always have to do execution. You always have to do it and you always have to do it better."

Blair Hull, who is on the list of "Wall Street's 25 Smartest Players" by Worth Magazine, was also a speaker at the conference. He spoke about market timing and the influence of big data and machine learning in the finance industry. He declared, "Just as it was considered irresponsible to time the market in the last 30 years, it will be considered irresponsible to NOT time the market in the next 30 years." His presentation focused on how today, with the aid of data science, we are able to be more systematic in our trading strategies.

The conference also had international speakers like Adil Reghai from Natixis who showcased a strong parallel between modeling in physics and finance. He explained that although the two fields are similar, finance is more dynamic than the counterpart. During his presentation, he emphasized the idea that, as traders, we must understand what and why we are investing because in today's landscape there are black swans in the field of finance everywhere. Thus, back testing is important,

but not enough.

Ingrid Tierens from Goldman Sachs promoted the strategy of conducting "structured experiments" rather than relying on back testing to enhance the performance of investor strategies. She emphasized that these structured experiments should be randomized as much as possible to obtain unbiased conclusions. Though algorithm trading strategies are the same and are well known across the industry, they can be tweaked significantly in order to achieve competitive advantage.

The conference had young entrepreneurs like Christina Qi who is co-founder of Domeyard, a high-frequency trading firm that has a hedge-fund structure. She focused her presentation on electronic market making the importance of data science in the field of finance. With the aid of sophisticated data science technologies, today we are able to analyze financial data and provide clear predictions. There is thus a necessity to do a cost-benefit trade-off and think outside the box in order to obtain efficiencies.

Lloyd Foster of Foster Colley spoke on practical risk management. The field of quantitative trading is an amalgamation of concepts of economics and mathematics. However, the most fundamental issue a quantitative trader faces is the temptation to sweep the economics aside when the mathematics in the underlying model becomes more interesting. He emphasized on the importance of avoiding such instinct. Further, there are limits that financial models have and it is of utmost importance that these limits are understood. He also explained the importance

of human intervention in the field of quantitative trading, especially in case of crisis where pre-specified procedures delegated to pre-specified people must be followed.

There was an informal session organized during the lunch titled "Women in Quant Finance." The speakers included Edith Mandel from Greenwich Street Advisors, Christina Qi from Domeyard, Jess Stauth from Quantopian, and Ingrid Tierens from Goldman Sachs. The speakers engaged in an open discussion about their journey into their specific roles, their motivation to work in a male-dominated trading industry and their learning experiences. They also discussed their entrepreneurial journeys and factors that were pivotal in their personal and professional growth.

The conference was indeed a memorable experience since it was able to provide a holistic view of the quantitative trading industry. The expertise and experience of the speakers were unmatched. However, to the dismay of attendees, it was impossible to attend all of the sessions. The conference is strongly recommended to anyone with an interest in quantitative trading and development. It is a great platform to facilitate exchange of ideas and discover latest trends in the industry. The speakers were open to answer questions or concerns students had. Most speakers were amazed about how well prepared the students were and expressed their desire to promote the conference as a great place to recruit young talent. Students can look forward to attending the next conference, which will take place at Princeton University during the spring semester.



Photos by Shachi Sayata

ae@technewsiit.com

A&E

Husky Hog BBQ to close Bridgeport location Wednesday

Kori Bowns
EDITOR-IN-CHIEF

Bridgeport is home to many IIT students, and even those who don't live there often visit the neighborhood's local coffee shops and restaurants. To the dismay of many students, neighborhood favorite Husky Hog BBQ will be closing its doors this Wednesday, November 25.

Husky Hog BBQ began as a popular Chicago food truck that opened a brick-and-mortar restaurant at 335 W 31st Street in Bridgeport during the summer of 2014. The passionate owners and chefs at Husky Hog brought southern-style barbecue to their small neighborhood spot and quickly became a local favorite.

Husky Hog's menu features a variety of specialty sandwiches as well as portions of pulled pork, beef brisket, shredded chicken, and burnt ends that can be purchased in increments of a quarter-pound, each coming with slider buns. The restaurant also often offered a variety of unique specials as well as served baby back ribs every weekend, occasionally selling out due to demand. In addition to the delicious barbecue staples that Husky Hog offered, the restaurant's side dishes rounded out the experience and offered something for everyone, whether it be macaroni and cheese, bacon baked beans, hush puppies, or their tater tots, which are the

best this writer has ever had.

A variety of homemade sauces also complement the menu at Husky Hog, many of which are still available for purchase during the restaurant's final week for enthusiasts who cannot imagine a world without Husky Hog's classic barbecue sauce or Alabama sauce (myself included).

The restaurant announced via social media last Wednesday that its physical location would be closing after their last day on November 25. According to the announcement, the popular Husky Hog food truck will be returning to Chicago streets in the spring of 2016. The announcement also ended on a positive note, saying, "Husky Hog BBQ will rise again, and it will be awesome!"

Since the announcement, the restaurant has been attracting many customers who wish to get a taste before its doors close. During the evenings, Husky Hog's small dining room has been full to capacity, even during the city's recent snowfall.

With only two days remaining until the restaurant closes, members of the IIT community have little time to swing by to pick up their favorite recurring lunch order or try Husky Hog BBQ for the first time. Either way, the restaurant will surely see a great influx of IIT guests during its final days, and the food as well as the cheerful owners who often manage the front counter will be deeply missed.



Photos by Kori Bowns