

# ML/FIN EXCHANGE RATE:

## MATHEMATICAL INSIGHTS FROM MARKETS, CONTROL, AND LEARNING.

### Abstract

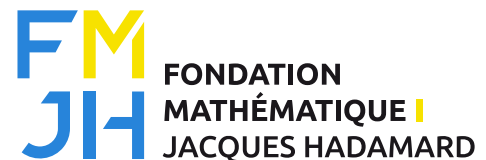
Despite their undeniable success in recent decades, conventional models in financial mathematics require knowledge of the parameters of a model which is often lacking in practice. The use of machine learning (ML) offers immense potential to address this gap by enabling more accurate modelling of financial markets and more informed decision-making.

On the other hand, the wide range of problems studied in financial mathematics, such as optimal execution and portfolio management, has begun attracting the interest of researchers in learning theory. Furthermore, the advanced mathematical tools traditionally used in financial mathematics are now contributing to several notable advances in learning theory and its recent applications, such as *diffusion models*.

Therefore, it is evident that these two communities are complementary in many respects, and interdisciplinary collaborations between them should be promoted. This workshop aims to bring together young researchers from these two fields to share their ideas, challenges, and methods, thereby building interdisciplinary bridges that will open exciting new perspectives in the fields of mathematical finance and machine learning.

### Sponsors

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## CONFERENCE PRESENTATION

### Related events

The recent interest in ML for finance has led to several events in recent years. There have been several single-day workshops, at Machine learning conferences such as [KDD](#) (August 2023), or at research institutions such as [Imperial College London](#) (March 2023). These events have generally focused on research talks and provided only limited opportunities for researchers to build collaborations in person, due to their short duration. In contrast, there have been several summer schools on the topics of machine learning and finance outside of France, such as at [Oxford](#) (July 2023), or [Gaeta](#) (May 2024). Unfortunately, no such school has taken place in France recently to the best of our knowledge.

This lack of venues for young researchers, particularly in France, hampers the ability of researchers to create effective networks of collaboration and develop interdisciplinary knowledge and skills early in their career. At the same time, France's rich network of leading institutions in Finance and Machine Learning research has an undeniable potential to support long term collaborative efforts through initiatives like this workshop aimed at young researchers.

### Organisation Committee

- ◆ Lorenzo Croissant, postdoc, CREST, ENSAE, and Inria, FairPlay team.
- ◆ Antonio Ocello, postdoc, CMAP, Ecole Polytechnique.
- ◆ Grégoire Szymanski, PhD student, CMAP, Ecole Polytechnique.

### Scientific Committee

- ◆ Samuel Cohen, Professor, University of Oxford.
- ◆ Christa Cuchiero, Professor, Universität Wien.
- ◆ Charles-Albert Lehalle, Global Head of Quantitative R&D, Abu Dhabi Investment Authority.
- ◆ Eric Moulines, Professor, CMLA, Ecole Polytechnique.
- ◆ Vianney Perchet, Professor, CREST, ENSAE.
- ◆ Huy  n Pham, Professor, LPSM, Universit   Paris Cit  .

## CONFERENCE DETAILS

The workshop will take place over from Monday 23/09/2024 (arrival Sunday 22/09/2024) to Friday 27/09/2024 (ending at lunch time) at the [Centre Paul Langevin](#) in Aussois, in the French Alps. We aim to welcome 30 participants at an early stage of their academic career (PhD, Postdoc, and young permanent researchers) from a range of backgrounds.

## Conference Venue

The workshop will take place at the [Centre Paul Langevin](#), a mountain hotel under the purview of the CNRS. It is accessible by trains (up to [Modane Station](#) on the French side or [Bardonecchia](#) on the Italian side, then by taxi).

## Applications

To ensure the scientific excellence of the workshop, we will take applications from prospective attendees on the basis of the call for contributions below. The organisation committee will shortlist applications based on relevance of work to the conference, under the supervision of the scientific committee. Places will be allocated according to the shortlist with priority given to selected speakers.

Particular care will be taken to encourage the applications of researchers from backgrounds underrepresented in the fields, such as women, applicants from non-standard career paths, or applicants from regions peripheral to the western academic environment.

## Call for contributions

The *mathematical insights from markets, control, and learning* workshop is an interdisciplinary workshop for young researchers in financial mathematics, machine learning and adjacent fields within mathematics, computer science, and economics.

We invite applications from researchers of all backgrounds at early stages in their careers (PhD, postdoc, recent faculty/researchers). Applicants are encouraged to submit a contribution to the conference (talk and/or poster) in the form of an abstract, and priority will be given to contributing applicants within the limits of capacity.

Contributions may present original or published research on topics including (but not limited to)

- ◆ Theoretical study of markets (e.g. auction theory, matching, market design)
- ◆ Empirical study of markets (e.g. market microstructure, volatility models, non-standard markets)
- ◆ Financial decision problems (e.g. portfolio management, optimal execution)
- ◆ General theory of decision problems (e.g. optimisation, control, game theory)
- ◆ General theory of stochastic analysis (e.g. SDEs, Hawkes processes, rough path)
- ◆ Applications of machine learning methods to financial problems
- ◆ General theory of learning (e.g. reinforcement learning, algorithms with predictions)
- ◆ Issues of fairness, privacy, or transparency or other social and economic considerations regarding markets (e.g. dark pools, financial data privacy)
- ◆ Theory of fairness and privacy.

Contributions which do not fit neatly into one of the above categories are nonetheless encouraged and will be equally considered. Contributions which feature an interdisciplinary connection between two or more of these themes are especially encouraged.

## CONFERENCE ORGANISATION

### Finances

To be able to welcome Ph.D. students regardless of funding situation, we aim to finance the fees of the stay of all attendees. Any further funding will be used to support further participants, up to the limit imposed by accommodation (50) and to support travel expenses of students in need.

We solicit funding from interested sponsors, both academic and private to cover these expenses. Funds are centralised at Ecole Polytechnique and finances will be managed there by Nasséra Naar and Aldjia Mazari.

Sponsorships will be recognised in the advertising materials to attendees, including recognition during the opening of the conference. A report summarizing all the talks and events of the conference will be produced and distributed to sponsors after the workshop. We will also support and participate in other outreach efforts of sponsors, for instance with photographs of the event. Further, we welcome participants from our sponsors to give talks on topics (theoretical or practical) of interest to them.

### Budget plan

Below is a list of expected expenditure and funding sources of the conference, to be revised as organisation progresses. The following table contains expenditures.

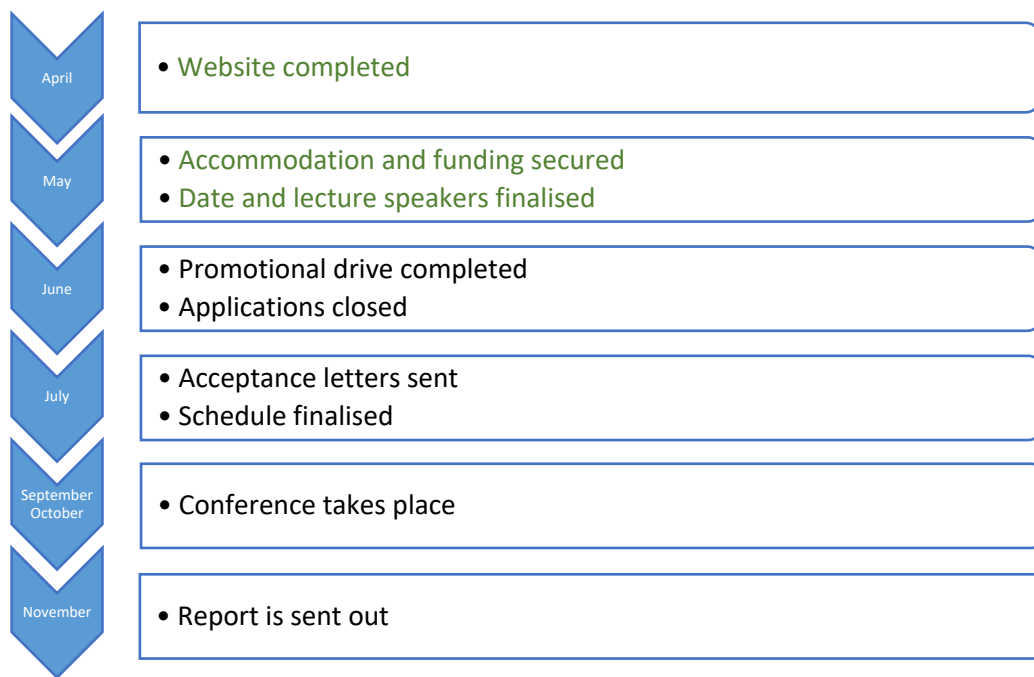
Expense	Number of units	Unit cost	Total cost
Accommodation at Centre Paul Langevin Aussois	30	504,70 €	15141,09€
Total			15141,09€

The following table contains cash inflows by source of funding, and includes funding already secured (indicated by “Secured” in the “Status” column), and funding which has been requested but is not confirmed (indicated by “Pending” in the “Status” column).

Nature of Funding	Source	Contact	Institution	Value	Status
Grant	BOUM		SMAI	1000,00€	Secured
Direct funding	Futures of quantitative finance Chair	Huyên Pham	Fondation de l'université Paris-Cité	5000,00€	Secured
Grant	Soutien aux manifestations scientifiques		Fondation Mathématique Jacques Hadamard	3000,00€	Secured
Direct funding	Programme de mécénat « Deep Finance & Statistics »	Stefano De Marco		5000,00€	Secured
Direct funding		Grégoire Allaire	CMAP	5000,00€	Secured
Total				19000,00 €	

## Timeline

Below is an estimated organizational timeline, indicating milestones to be reached by the end of the corresponding month.



## SCIENTIFIC PROGRAM

### Overview

The workshop focuses on interdisciplinary contributions at the intersection of Applied and Financial Mathematics, Statistics, Economics, and Computer Science, welcoming both theoretical and empirical work. The objective is to build bridges between these communities at the level of young researchers to forge connections that will drive interdisciplinary research forward in the future.

We hope theorists can recognise tools and problems of shared interest across disciplinary boundaries as well as draw on real-world problems to inspire their work. Conversely, we hope applied researchers can find theoretical guidance and practical expertise for their problems and propose new problems which spur the theoretical fields forwards. To realise this vision, we have centred the scientific program around 5 sessions each of which straddles disciplinary boundaries while also engaging in a dialogue with other sessions.

### Economic theory of markets

This session delves into the foundational theories underpinning market dynamics, including auction theory, market design, and matching algorithms. Researchers will explore the theoretical frameworks governing market equilibrium, price discovery mechanisms, and

allocation efficiency in various market structures. Discussions will encompass the intricacies of auction mechanisms, the design of market platforms, and the role of matching algorithms in optimizing resource allocation. Through mathematical analyses of theoretical models, participants will uncover insights into market efficiency, liquidity provision, and the impact of market microstructure on price formation. These theoretical insights, leveraging mostly Economics and Computer Science tools should provide the basis of comparison with real-world market situations.

### Markets in the real world

This session focuses on the empirical realities and statistical phenomena observed in real-world markets, encompassing diverse financial instruments as well as markets lying outside traditional financial domains. Topics include market microstructure dynamics, statistical properties of asset returns, and the influence of exogenous factors on market behaviour. Case studies will explore the intricacies of trading in non-financial markets, such as commodities, energy, and advertising, and shed light on the challenges posed by various aspects of market structure (auction format, regulatory environments, etc.). Traditional mathematical finance will find new, exotic markets which welcome its mature tools, while also shedding new light on the influence of the market format via comparative analysis.

### Learning to Control

This session, dedicated to control problems, explores innovative approaches to resolving control problems in dynamic environments with imperfect knowledge or uncertain models. Researchers will discuss advancements in control theory, reinforcement learning theory, and adaptive control strategies. Topics range from theory to applications within the context of financial decision-making and may include the resolution of control problems under model uncertainty, reinforcement learning techniques for trading algorithms, and the development of robust control policies in uncertain market conditions. This session aims for the mutually beneficial convergence of expertise between theoreticians and practitioners of both control theory and reinforcement learning.

### Mean-field games and learning

This session on mean-field game theory showcases methodologies for modelling and analysing the strategic interactions among a large population of agents. The mean-field setting is a classical tool for the economic study of the behaviour of agents in large markets. Traditional work in probability theory provides tools, solution concepts, as well as results on existence and characterization of such solutions. In contrast, modern work, under the influence of Machine Learning methods, has showcased new avenue for numerical simulation and resolution. This session will allow researchers to exchange on topics from the modelling of real phenomena

using mean-field models to the use of Reinforcement Learning to solve them numerically, and many topics in between.

## Fairness, privacy, and transparency in markets

Ensuring fairness, privacy, and transparency in financial markets is paramount for maintaining market integrity and public trust. This session examines the ethical, policy, and regulatory considerations surrounding data privacy, algorithmic bias, and market transparency in financial markets, in both theoretical and real-world markets. Researchers will discuss methodologies for detecting and mitigating biases in algorithmic decision-making, safeguarding sensitive financial information, and promoting equitable market access. Through interdisciplinary discussions, participants will explore the implications of emerging technologies on market fairness and transparency, and the role of regulatory frameworks in fostering trust and accountability in financial markets.

## Program

To foster collaboration and discussion, we will host three types of talks broken up by many short breaks, namely:

- 5 Introductory courses (one for each thematic session) each consisting of 3 lectures of 45 minutes each.
- 7 Spotlight talks dedicated to exemplary interdisciplinary work or industry relevant problems lasting 45 minutes each (35m talk, 10m questions).
- 20 Short talks with posters encouraged, lasting 20 minutes each (15m talk, 5m questions).

Below is a draft schedule of the arrangement of the talks. Specific talks will be placed in the schedule based on speaker constraints, and wherever possible lectures in a session will precede the spotlights and short talks associated.



	Monday	Tuesday	Wednesday	Thursday	Friday
8:30-9:15	Opening  Course 1 Lecture 1	Course 2 Lecture 1	Course 3 Lecture 2	Course 4 Lecture 2	Course 5 Lecture 3
9:15-9:30	Break				
9:30-10:15	Course 1 Lecture 2	Course 2 Lecture 2	Course 3 Lecture 3	Course 4 Lecture 3	Spotlight
10:15-10:45	Break				
10:45-11:30	Spotlight	Spotlight	Short Talks	Spotlight	Short Talks
11:30-11:45	Break				
11:45-12:30	Short Talks	Short Talks	Course 4 Lecture 1	Short Talks	Short Talks Closing
12:30-14:00	Lunch				
14:00-14:45	Course 1 Lecture 3	Course 2 Lecture 3	Left free  for  activities	Course 5 Lecture 1	Left free  for  return  travel
14:45-15:00	Break			Break	
15:00-15:45	Spotlight	Spotlight		Course 5 Lecture 2	
15:45-16:15	Break			Break	
16:15-17:00	Short Talks	Short Talks		Spotlight	
17:00-17:15	Break			Break	
17:15-18:00	Short Talks	Course 3 Lecture 1		Short Talks	

## POTENTIAL SPEAKERS LIST

### Introductory courses

#### 1. Economic theory of markets,



Simon Murras is a permanent researcher at INRIA, in the [FAIRPLAY](#) team, working on topics of Mechanism Design, auctions and Fairness. Prior to this position, he was a postdoctoral Fellow at Tel Aviv University, working on algorithmic Mechanism Design. He holds a Ph.D. in Computer Science from IRIF and Université Paris Cité, under the supervision of Claire Mathieu.

#### 2. Markets in the real-world,



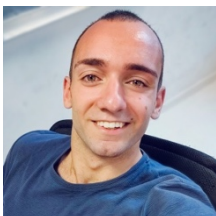
Timothée Fabre is a third-year Ph.D. student at the [MICS](#) Lab in CentraleSupélec, part of Université Paris-Saclay, where he is supervised by Damien Challet and Ionae Muni-Toke. His research focuses on market microstructure and machine learning applied to optimal execution and detection of price manipulation. As part of his PhD is also a quantitative researcher at SUN ZU Lab.

#### 3. Learning to control,



Lorenzo Croissant is currently a postdoctoral researcher at ENSAE working on topics in control and learning theory, as part of the [FAIRPLAY](#) INRIA team. He holds a Ph.D. in Applied Mathematics from Université Paris-Dauphine, under the supervision of Bruno Bouchard and Marc Abeille.

#### 4. Mean-field games and learning,



Antonio Ocello is currently a postdoctoral researcher at École Polytechnique in the [OCEAN](#) team working on mean field games for machine learning and generative models under the supervision of Eric Moulines. He holds a PhD in Probability, completed at the [LPSM](#) lab of Sorbonne Université, under the supervision of Idris Kharroubi.

#### 5. Fairness, privacy, transparency in markets,



Felipe Garrido-Lucero is currently a postdoctoral researcher in Market design & Fairness at [FAIRPLAY](#), joint team between INRIA, IP Paris (ENSAE and Ecole Polytechnique), and Criteo. He defended his Ph.D. in Computer Science in 2022 at Université Paris-Dauphine, under the supervision of Rida Laraki.



Solenne Gaucher is currently a postdoctoral researcher in sequential learning, sequential decision-making problems, and fair machine learning at CREST, as part of the [FAIRPLAY](#) INRIA team. She holds a Ph.D. in Statistics from Université Paris-Saclay, under the supervision of Christophe Giraud and Olga Klopp.

## Potential Attendees

A non-exhaustive list of researchers which fall within the purview of the conference and will be invited to apply.

Name	Affiliation	Name	Affiliation
Morgane Goibert	CFM	Shaun Li	Université Paris-Dauphine, AXA
Solenne Gaucher	ENSAE	Louis-Amand Gerard	Université Paris I, GEFIP
Matilde Tullii	ENSAE	Songbo Wang	Ecole Polytechnique
Maria Cherifa	ENSAE, Criteo	Assil Fadle	Ecole Polytechnique
Emanouil Sfendourakis	Ecole Polytechnique	Redouane Silvente	Ecole Polytechnique
Alexander Merkel	TU Berlin	Fanny Cartellier	ENSAE
Timothée Fabre	École Centrale, Sun Zu Lab	Alicia Bassière	ENSAE
Vincent Ragel	Ecole Centrale	Jodi Dianetti	Universität Bielefeld

Nathan De carvalho	Université Paris-Cité, Engie	Maximilien Germain	Morgan Stanley
Jules Delemotte	Ecole Polytechnique	Alessio Brini	Duke University
Siu Hin Tang	NUS	Felix Prenzel	University of Oxford
Adele Ravagnani	SNS Pisa	Chao Zhang	University of Oxford
Paul Hager	Humboldt Universität	Ioannis Gasteratos	Imperial College London
Florin Suciu	Université Paris- Dauphine	Carl Remlinger	EPFL
Janka Möller	Universität Wien	Melih İşeri	University of Michigan
Steven A. Campbell	Columbia University	Jiacheng Zhang	University of California at Berkely
Purba Das	King's College London	Antoine Heranval	ENSAE
Gökce Dayanikli	University of Illinois Urbana-Champaign	Victor Le Coz	Ecole Polytechnique, Quant AI Lab
Claire Vallade	Université Paris- Dauphine Banque de France	Wei Xiong	University of Oxford
Flore Sentenac	HEC	Simon Mauras	INRIA
Simon Finster	INRIA	Felipe Garrido-Lucero	INRIA
Etienne Boursier	Université Paris-Saclay	Giovanni Montanari	ENSAE
Giulia Romano	Politecnico di Milano	Hugo Richard	Criteo
Mathieu Molina	INRIA	Ziyad Benomar	ENSAE
Helène Halconrui	Telecom SudParis	Christian Yeo	Université Paris Cité ENGIE
Rudy Morel	Simons Foundation	Ofelia Bonesini	Imperial College London
Anna De Crescenzo	Sorbonne Université	Marta Gentiloni-Silveri	École Polytechnique

Jean Pachebam	École Polytechnique	Antoine Scheid	École Polytechnique
Aymeric Capitaine	École Polytechnique	Chiara Amorino	Universitat Pompeu Fabra
Francesca Primavera	Universität Wien	Sara Svaluto-Ferro	Università di Verona
Florian Krach	ETH Zürich	Tengyingzi Perrin	ETH Zürich
Jakob Heiss	ETH Zürich	Gudmund Pammer	ETH Zürich
Jonathan Yeung	Università di Verona	Songyan Hou	ETH Zürich
Daniel Kršek	ETH Zürich	Chiara Rossato	ETH Zürich

