



Call for Papers
Special Issue of *Journal of Forecasting*
Forecasting Climate Risks in Financial Markets

Submission deadline: 31 July 2023

Guest Editors

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Theme and topics

Financial risk management traditionally focuses on risk factors emerging from the financial environment. However, non-financial sources of risk have emerged as critical factors for the operation of firms and organizations. Among them, climate risks have attracted significant interest from policymakers, institutions and investors globally, due to the increasing awareness of the potential severe consequences of climate change for the financial system, and how these risks can be embedded in decision-making processes (TCFD, 2022). Indeed, climate risks, related to both transition and physical risks (Breitenstein, Nguyen, & Walther, 2021; Breitenstein et al., 2022), pose a new reality for firms and financial markets, and incorporating these risks into forecasting and planning creates new challenges (Campiglio et al., 2023; Gallo, 2023). For instance, banks in Europe experience pressures from the central bank to tackle their financial risks from climate change, or face higher capital requirements and fines (Arnold, 2022). Such climate challenges, however, are global and not constrained to the financial sector, and, according to anecdotal evidence, have created a high demand in the market for climate management (Clark, 2023). All these call for an improvement of the level of analytical understanding of climate risks, the measurement and estimation of their economic impact, and the design of strategies to mitigate the adverse effects of such risks.

In this context, forecasting methodologies can be particularly useful in providing forward-looking information to policy-makers and various stakeholders (Bolton & Kacperczyk, 2021; Hong et al., 2019; Roulston et al., 2022). This special issue seeks to cover the recent advances in the theory and applications of forecasting approaches in all areas related to the assessment and management of climate risks for decision-making in the context of the financial markets and the financial industry (e.g., equity and bond markets, commodities, banking, real estate,

etc.; Bonato et al., 2023; Ferrer et al., 2021; Salisu et al., 2023). On the methodological side, the special issue aims to cover different forecasting paradigms, including traditional statistical and econometric models, high-frequency forecasting, as well as new modelling systems and technologies, such as artificial intelligence (Akyildirim et al., 2023; Nguyen, Sermpinis, & Stasinakis, 2023). Submitted papers should cover methodological developments and provide novel empirical results with strong decision-making implications.

Papers presented at the [12th International Conference of the Financial Engineering and Banking Society](#), held in Chania, Greece, 1-4 June 2023, may be submitted as may other papers not presented at the conference.

Submission process

Authors should follow the journal's [guidelines](#) and submit their manuscripts by **31 July 2023**, via the journal's submission site: <https://submission.wiley.com/journal/for>. All papers will be subject to the standard review of the journal.

Other inquiries should be sent directly to the Guest Editors of the special issue: Michalis Doumpos (mdoumpos@tuc.gr), Menelaos Tasiou (menelaos.tasiou@port.ac.uk), Duc Khuong Nguyen (d.nguyen@ipag.fr)

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