



## EDHEC PhD IN FINANCE FORUM 2019

4 June 2019

Museum of London

150 London Wall,  
London, EC2Y 5HN



*“Bringing Academic Research Insights and  
Creative Solutions to the Financial Industry”*

*Make an impact*

## Welcome to the EDHEC PhD in Finance Forum 2019!



Since inception, more than 10 years ago, the main objective of the doctoral programme has been to train well-established senior professionals in cutting-edge research methods within different fields of Finance. EDHEC Business School thus expects to make an educated, real and useful impact on practices within the financial industry, confirming the EDHEC brand signature "*Make an Impact*".

We are proud of the recognition received from the profession for the research output produced by the 47 programme graduates to date, who have gone on to author more than 30 publications in top academic journals and leading professional reviews.

The third edition of the EDHEC PhD in Finance Forum will again present the research carried out by our graduates and candidates, encouraging discussion with the community of practitioners and faculty about the results of these original contributions.

The Great Financial Crisis deepened the debate about the relationship between the financial sector and the real economy. The switch to unconventional monetary policy in a very low-interest rate environment aimed at putting back on track economic growth and the labor market back on track by providing liquidity to financial Institutions. Yet, being in a low-inflation regime may create some distortions in investors' perception of key variables like inflation and the term structure of interest rates. The paper by **Andrea Tarelli** investigates these types of distortions and their impact on portfolio construction. While central bank actions can be supportive, they can hardly dictate market player's understanding of the impact of ongoing issues on the interplay between the real economy and market valuations. It is only legitimate to wonder whether climate risk, a lively debated long-run phenomenon, is integrated into prices. The US/China debate about bilateral exchange, on the other hand, has potentially a substantial short-run impact. **Jasmine Yu** provides some lessons from the past on the latter issue while **Jonathan Harris** carefully investigates climate risk impact on financial markets in the frequency domain. Finally, if improving the standard of living of humanity is the ultimate objective for politicians, assessing the impact on commodity prices of natural and business cycle related as well as exceptional events on commodity prices is of prime importance. **Thibault Lair** has many interesting lessons on this.

**John Y. Campbell**, the Morton L. and Carole S. Olshan Professor of Economics at Harvard University will deliver the keynote speech.

We are delighted to welcome you to this event and we hope you will enjoy the quality of the presentations and the industry relevance of the findings.

**Abraham Lioui, PhD**

Professor of Finance

Head of Data Science, Economics and Finance Faculty

Director, PhD in Finance Programme

EDHEC Business School

1:15 - 1:45 pm **Welcome Tea and Coffee**  
1:45 - 2:00 pm **Introductory Speech**  
2:00 - 3:15 pm **Research Presentations and Q&A Sessions with the Audience**  
3:15 - 3:45 pm **Tea Break**  
3:45 - 5:00 pm **Research Presentations and Q&A Sessions with the Audience**  
5:00 - 6:00 pm **Keynote Speech**  
6:00 - 7:00 pm **Graduation Ceremony**  
From 7:00 pm **Reception**

1:45 - 2:00 pm: Introduction by **Abraham Lioui**, Director of the PhD in Finance Programme

## 2:00 - 3:15 pm

### Back to the Future: Multi-frequency Studies of Climate Risk

- > There is a low-frequency 'climate' signal in US temperature.
- > The sensitivity of returns to temperature depends on the climate regime.
- > The results align with historical reports of climate stress.

Speaker: **Jonathan Harris**, PhD candidate



### Chimerica and Expected Return of Stocks

- > Chimerica describes the symbiotic relationship between the United States and China.
- > Do Equity markets price Chimerica?
- > Useful lessons from the ongoing trade war between the US and China.

Speaker: **Jasmine Yu**, PhD (2019)





3:45 - 5:00 pm

#### Money Illusion and TIPS Demand

Speaker: **Andrea Tarelli**, PhD (2013)

- > A rational long-term investor perceives large certainty-equivalent gains from investing in Treasury Inflation-Protected Securities.
- > If the investor suffers from money illusion, the perceived gains reduce to nearly zero.
- > Money illusion causes significant portfolio shifts from inflation-indexed toward nominal bonds, with little effects on equity allocations.

Speaker: **Thibault Lair**, PhD candidate

#### Scarcity Risk, Liquidity Provision and Risk Premia in Commodity Markets

- > The risk of scarcity beyond transitory seasonal shocks carry predictive power.
- > Are liquidity providers rewarded for taking the opposite side of this trade?
- > Revisiting the factors driving the cross-section of futures curves in the presence of scarcity.

5:00 - 6:00 pm Keynote Speaker:

**John Y. Campbell, Professor of Economics, Harvard University**  
**The Cross-Section of Household Preferences**

**Keynote Speaker:**

John Y. Campbell, Professor of Economics, Harvard University

**The Cross-Section of Household Preferences \***

- > How differently do people behave when they save for retirement and invest their wealth?
- > Do the differences reflect different income paths, or different preferences?
- > This paper explores heterogeneity in preferences using administrative data on the Swedish population of retirement savers.



\* joint project with EDHEC faculty member Laurent Calvet, Francisco Gomes from London Business School, and Paolo Sodini from the Stockholm School of Economics.

John Y. Campbell is the Morton L. and Carole S. Olshan Professor of Economics at Harvard University, where he has taught since 1994.

Campbell has published over 100 articles on various aspects of finance and macroeconomics, including fixed-income securities, equity valuation, portfolio choice, and household finance. His books include *Financial Decisions and Markets: A Course in Asset Pricing* (Princeton University Press 2018), *The Squam Lake Report: Fixing the Financial System* (with the Squam Lake Group of financial economists, PUP 2010), *Strategic Asset Allocation: Portfolio Choice for Long-Term Investors* (with Luis Viceira, Oxford University Press 2002), and *The Econometrics of Financial Markets* (with Andrew Lo and Craig MacKinlay, PUP 1997).

Campbell delivered the Ely Lecture to the American Economic Association in 2016 and served as President of the American Finance Association in 2005. He is a Research Associate and former Director of the Program in Asset Pricing at the National Bureau of Economic Research, a Fellow of the Econometric Society and the American Academy of Arts and Sciences, a Corresponding Fellow of the British Academy and Honorary Fellow of Corpus Christi College, Oxford, and holds honorary doctorates from BI Norwegian Business School, the University of Maastricht, the University of Paris Dauphine, and Copenhagen Business School. Campbell is also a founding partner of Arrowstreet Capital, LP, a Boston-based quantitative asset management firm.

**Jonathan Harris, PhD candidate**

Jonathan is an advisor to long-horizon focused investors. His current main project is optimising the investment portfolio of a philanthropic foundation to maximise their expected social impact. Previously, he co-founded a climate-related data firm and was a credit risk model advisor to several major banks. He holds a B.Sc. in Mathematics and Physics (University of British Columbia), an M.S. in Financial Mathematics (Stanford University), and is a PhD candidate in Finance (EDHEC).

**Thibault Lair, PhD candidate**

Thibault Lair is a Portfolio Manager and Researcher within the Quant Allocation department at Robeco, a Dutch quantitative asset manager, where he focuses on multi-asset factor investing strategies. He has over 10 years of experience in the Finance industry and is a CFA and FRM charterholder. He holds a Master's degree in Applied Finance from Université du Québec à Montréal in Canada and is currently pursuing a PhD in Finance at EDHEC Business School.

**Andrea Tarelli, PhD (2013)**

Andrea Tarelli is Assistant Professor in the Department of Mathematical Sciences, Mathematical Finance and Econometrics at the Catholic University of Milan, where he teaches Quantitative Methods for Finance and Asset Pricing. He holds a PhD in Finance from EDHEC Business School and MSc degrees in Electronics Engineering from Politecnico di Milano and Politecnico di Torino. His main research interests are asset pricing, asset allocation, financial econometrics and credit risk.

**Jasmine Yu, PhD (2019)**

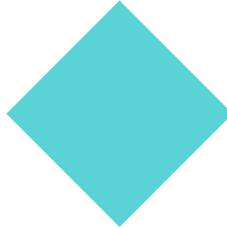
Jasmine Yu is Head of Global Manager Research at Bank of New York Mellon Wealth Management. Prior to joining BNY Mellon in 2016, she was Senior Portfolio Management Team Leader and Head of Global Fixed Income Due Diligence at Bank of America Merrill Lynch. Jasmine received her BA degree in English Literature from Zhongshan University, MBA degree in Financial Management from Pace University, Master of International Affairs (MIA) degree in International Finance and Business from Columbia University and her PhD degree in Finance from EDHEC Business School.



Founded in 1906, EDHEC Business School offers management education at undergraduate, graduate, post-graduate and executive levels designed to meet the full spectrum of business needs. Holding the AACSB, AMBA and EQUIS accreditations and regularly ranked among Europe's leading institutions, EDHEC Business School delivers degree courses to over 8,600 students from the world over and trains professionals yearly through executive courses and research events.

EDHEC Business School believes that academic research has a vital role to play in promoting innovation and constantly raising professional standards. With a century-long tradition of serving the needs of the community, it has defined a '*Research for Business*' orientation and has spelled out its educational credo as '*Professional Development through Research-Based Excellence*'.

Since 2008, EDHEC Business School has been offering an original PhD in Finance programme, allowing outstanding professionals to acquire the background and skills required to conduct research and development projects that advance knowledge and practices in the financial industry. The programme, which benefits from the world-class expertise of the EDHEC Business School centres of excellence, is taught by EDHEC Business School's top economics and finance scholars and leading experts drawn from the world's best institutions.



Upon Invitation Only - Complimentary Attendance

Please register [here](#)

**Event location: Museum of London**

150 London Wall, London, [EC2Y 5HN](#)

Enquiries: [phd.info@edhec.edu](mailto:phd.info@edhec.edu)

Website: [phd.edhec.edu](http://phd.edhec.edu)

EDHEC Business School

London Campus

10 Fleet Place, Ludgate

London EC4M 7RB

