

# PhD IN FINANCE FORUM 2021

26 May 2021

Online

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

*Make an impact*





### Welcome to the EDHEC PhD in Finance Forum 2021!

Each year, we normally hold the EDHEC PhD in Finance Forum in London where our PhD candidates and graduates present their research to academics and finance practitioners. The pandemic makes it impossible to meet face-to-face therefore to allow remote participation, we are organizing the forum online on 26 May 2021 welcoming a more international audience.

EDHEC's PhD in Finance programme has two objectives: to be academically excellent and make a difference in finance and business practice. An academically rigorous programme tailored specifically to the needs of the finance professional.

Our experience running the PhD programme over the last ten years strongly suggests that experienced professionals with a strong academic background are capable of high-quality academic research with potential to make a difference in both academia and practice.

Successful completion of a PhD from students who combine a full-time job with the many challenges of academic study requires discipline, motivation, perseverance, tenacity and tremendous determination. We are, therefore, especially proud of all our 60 graduates and their publication record of 53 research papers in top academic and professional journals.

The digital edition of the EDHEC PhD in Finance Forum 2021 will share the research findings of five of our PhD candidates and graduates, fostering interaction between practitioners and faculty.

We are extremely grateful to Professor Darrell Duffie (Stanford) for agreeing to be the keynote speaker of our upcoming event.

We will be delighted to welcome you to this event.



**Nikolaos Tessaromatis, PhD**

Professor of Finance

Director, PhD in Finance Programme

EDHEC Business School

**Welcome**

**Programme**

**Keynote  
Speech**

**Speakers**

1:30 - 1:40 pm **Introductory Speech**

1:40 - 3:25 pm **Research Presentations and  
Q&A Sessions with the Audience**

3:25 - 3:40 pm **Break**

3:40 - 4:50 pm **Research Presentations and  
Q&A Sessions with the Audience**

4:50 - 5:00 pm **Break**

5:00 - 6:00 pm **Keynote Speech**

**The PhD in Finance Forum takes place on Zoom  
and the indicated time is the British Summer Time (BST)**



**Welcome**

**Programme**

**Keynote  
Speech**

**Speakers**

1:30 - 1:40 pm BST: Introductory Speech

**Nikolaos Tessaromatis**, Director, PhD in Finance Programme

**1:40 - 3:25 pm BST**

### **Finding Value Using Momentum**

>The paper shows that using momentum in fundamental value metrics generates higher risk-adjusted returns compared to conventional value ratio based portfolios

>Incremental information in fundamental momentum is difficult to capture using commonly used factor models

>We also show that combining the value model with momentum (using three different methods) enhances the returns of the strategy

Speaker: **Bijon Pani**, PhD (2020)



### **Ambiguous Text**

>A proxy for disagreement and ambiguity is constructed from textual analysis of the news and social media

>Econometric tests provide natural evidence of the Gilboa's maxmin principle and also show that social media would have had a more influential role in impacting the equity market during the Great Recession

>They also provide an explanation for the puzzle of negative/insignificant relation between risks and returns through an omitted variable bias

Speaker: **Eric Tham**, PhD (2021)



### **Investment Impact in General Equilibrium**

>Defining investment impact and related concepts needed to model the welfare contribution of different forms of responsible investment

>Highlighting the investment strategies we should expect to be the most impactful

>Relating the model to real examples of these strategies

Speaker: **Jonathan Harris**, PhD (2019)



**Welcome**

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**3:40 - 4:50 pm BST**

**Strategic Trading when the Market Maker Has a Monopoly on Short-Lived Information**

Speaker: **Vladislav Gounas**, PhD candidate

>The paper develops a strategic trading model in which the market maker has a monopoly on short-lived information

>Given that modern market makers are high frequency traders, it is assumed that market makers can process public news arrivals faster than other traders

>A dynamic trading equilibrium is derived in which heterogeneously informed traders submit strategic orders, taking into account that they are collectively slower than the market maker



**Mispricing, Short-sale Constraints, and the Cross-section of Option Returns**

Speaker: **Lakshmi Shankar Ramachandran**, PhD (2014)

>We report a monotonic relation between various measures of short-sale constraints and delta-hedged returns of put options on overpriced stocks

>Our findings suggest that while investors drive up the demand for these put options, dealers command a high premium as compensation for the increased market making risk

>Our findings are consistent with theories of demand-based option pricing in imperfect markets



**5:00 - 6:00 pm BST**

**Keynote Speech**

**Reforming the U.S. Treasury Market -- Lessons Learned from the Covid Crisis**

**Darrell Duffie, Adams Distinguished Professor of Management and  
Professor of Finance at Stanford University's Graduate School of Business**

**Keynote Speaker:****Darrell Duffie (Stanford University)****Reforming the U.S. Treasury Market -- Lessons Learned from the Covid Crisis**

In March 2020, on Covid pandemic news, the U.S. Treasury market became dysfunctional, revealing that it may have outgrown the intermediation capacity of the largest bank dealers during stress periods.

Given that the amount of Treasuries is projected by the Congressional Budget Office to increase by 500% in the coming three decades and has been growing much faster than dealer balance sheets since 2009, this raises questions about the basic structure of the market for Treasuries.

What changes in market structure will be needed? None -- relying instead on the Fed to rescue the market under stress? A standing repo facility, to provide central bank financing to a wide range of market participants? All-to-all trade, relying on broad access to central clearing of transactions? A combination of the above?



[Darrell Duffie](#) is the Adams Distinguished Professor of Management and Professor of Finance at Stanford University's Graduate School of Business.

Duffie is a Fellow of the Econometric Society, a Research Fellow of the National Bureau of Economic Research, and a Fellow of the American Academy of Arts and Sciences. He was the 2009 president of the American Finance Association. From October 2008 to April 2018, Duffie was a member of the board of directors of Moody's Corporation. He currently serves on the board of Dimensional Funds. From 2013-2017, Duffie chaired the Financial Stability Board's Market Participants Group on Reference Rate Reform. He is a project advisor to the G30 Working Group on the U.S. Treasury Market.

Duffie's research focus is the design and regulation of financial markets. His recent books include *How Big Banks Fail* (Princeton University Press, 2010), *Measuring Corporate Default Risk* (Oxford University Press, 2011), *Dark Markets* (Princeton University Press, 2012), and *Fragmenting Markets, Post-Crisis Bank Regulations and Financial Market Liquidity* (de Gruyter, forthcoming).




**Bijon Pani, PhD (2020)**

Bijon Pani is a recent graduate from the EDHEC PhD in Finance programme. He has over eight years of work experience in the field of Asset Management, Hedge Funds and Private Equity with prominent investment firms in London including Collier Capital, Eden Financial and Barclays Capital. His primary areas of research interest are in factor models, smart-beta strategies and tactical asset allocation. Bijon is currently working as a portfolio advisor for Yati Capital, a UHNI family office advisory firm in London and also serves on the advisory board of Index Research LLC, Chicago.

**Eric Tham, PhD (2021)**

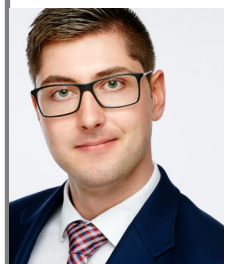
Eric Tham is a senior lecturer in data science. His research interests are at the intersection of behavioural finance and AI/ML. He holds a Master of Science in Financial Engineering from Columbia University of New York, a Master of Science in Business Analytics and a Bachelor of Engineering from the National University of Singapore, and has just completed his PhD at EDHEC with essays of Sentiment Impact on Asset Pricing. The paper 'Ambiguous Text' was accepted under the Miami Behavioural Finance 2019 and AEA 2020 meetings.


**Jonathan Harris, PhD (2019)**

Jonathan Harris is the founder of the Total Portfolio Project, a non-profit advisory group headquartered in Munich that helps investors apply a highly analytical, science-based approach to responsible investment. Previously he worked in portfolio analytics roles in London. He holds a B.Sc. Hon. in Mathematics and Physics (University of British Columbia), an M.S. in Financial Mathematics (Stanford University) and completed his PhD at EDHEC in 2019. He recently taught EDHEC's Master's course on responsible investment.


**Vladislav Gounas, PhD candidate**

Vladislav Gounas joined Deutsche Oppenheim's Quantitative Investment Solutions team in October 2015. His area of expertise lies in the field of Strategic Asset Allocation. Additionally, Vladislav conducts research on stochastic properties of asset classes and acts as strategic advisor and consultant for Deutsche Oppenheim's high net worth clients. Vladislav started his Ph.D. in Finance at EDHEC Business School in October 2018. He holds a Master of Science degree in Economics from Rheinische Friedrich-Wilhelms-University Bonn and acquired experience abroad at Erasmus University Rotterdam.


**Lakshmi Shankar Ramachandran, PhD (2014)**

Lakshmi Shankar Ramachandran (aka R. L. Shankar) is an Assistant Professor of Banking and Finance at the Weatherhead School of Management, Case Western Reserve University, USA. He earned his PhD in Finance from EDHEC, an MS in Computational Finance from Carnegie Mellon University, and a Bachelor of Technology from IIT (Indian Institute of Technology), Madras. R.L. Shankar's primary research interest lies in the areas of Empirical Asset Pricing, Artificial Intelligence, and FinTech. His papers have appeared, among other journals, in the *Journal of Financial Economics* (JFE). He has received several prestigious research grants, including the inaugural grant for capital markets instituted by New York University and the National Stock Exchange of India.



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](#)

### **Online Event**

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

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