European Summer Symposium in Financial Markets (ESSFM)

Study Center Gerzensee, 16-27 July 2007

The meeting is generously hosted by the Study Center Gerzensee.

Draft Programme

Week One

Monday 16 July

08:30 – 09:30  Understanding Index Options Returns
Mark Broadie (Columbia University)
*Mike Chernov (LBS and CEPR)
Michael Johannes (Columbia University)
Discussant: Beber, Alessandro (HEC)

09:30 – 10:30  The Wealth-Consumption Ratio: A Litmus Test for Consumption-based Asset Pricing Models
*Hanno Lustig (UCLA)
Stijn Van Nieuwerburgh (NY University)
Adrien Verdelhan (Boston University)
Discussant: Sbuelz, Alessandro (Verona University)

10:30 – 11:00  Coffee Break

11:00 – 12:00  Dynamic Trading, Asset Prices, and Bubbles
*Giovanni Cespa (CSEF and CEPR)
Xavier Vives (IESE, UPF and CEPR)
Discussant: Peress, Joel (INSEAD)

Tuesday 17 July

Focus Session: Frictions in Capital Markets: Implications for Asset Pricing
Organizer: Darrell Duffie (Stanford University)

08:30 – 08:50  Focus Session Organizer's introduction to the topic.

08:50 – 09:45  A Preferred-Habitat Model of the Term Structure of Interest Rates
Jean-Luc Vila (Merrill Lynch)
*Dimitri Vayanos (LSE and CEPR)

09:45 – 10:45  Coffee Break
10:05 – 11:00  Endogenous Capital Mobility and Price Dynamics
Darrell Duffie (Stanford University)
*Bruno Strulovici (Oxford University)

11:00 – 11:05  Convenience Break

11:05 – 12:00  Liquidity Provision and Stock Price Reversals
*Terry Hendershott (Berkeley University)
Mark Seasholes (UC Berkeley)

Wednesday 18 July

08:30 – 09:30  Fight Or Flight? Portfolio Rebalancing By Individual Investors
Laurent E. Calvet (PSA)
John Y. Campbell (Harvard University)
*Paolo Sodini (Stockholm School of Economics)

Discussant: Paolo Zaffaroni (Imperial College)

09:30 – 10:30  Predictive Systems: Living with Imperfect Predictors
*Lubos Pástor (Chicago University and CEPR)
Robert Stambaugh (Penn University)

Discussant: Jesper Rangvid (Copenhagen University)

10:30 – 11:00  Coffee Break

11:00 – 12:00  Price Drift as an Outcome of Differences in Higher Order Beliefs
Snehal Banerjee (MIT)
*Ron Kaniel (Duke University)
Ilan Kremer (Stanford University)

Discussant: Eugene Kandel (Hebrew University and CEPR)

Thursday 19 July

Focus Session: Household Finance: The Liability Side
Organizer: Annette Vissing Jorgensen (Northwestern University)

08:30 – 08:50  Focus Session Organizer's introduction to the topic.

08:50 – 09:45  Interest Rates and Consumer Choice in the Residential Mortgage Market
James Vickery (New York Federal Reserve Bank)

09:45 – 10:05  Coffee Break

10:05 – 11:00  Payday Lenders: Heroes or Villains?
Adair Morse (Michigan University)
11:00 – 11:05  Convenience Break

11:05 – 12:00  The Tradeoff between Mortgage Prepayments and Tax-Deferred Retirement Savings
Gene Amromin (Federal Reserve Bank of Chicago)
Jennifer Huang (University of Texas)
*Clemens Sialm (University of Texas)

Friday 20 July

08:30 – 09:30  Young, Old, Conservative and Bold: The Implications of Heterogeneity and Finite Lives for Asset Pricing
*Nicolae Garleanu (Wharton University and CEPR)
Stavros Panageas (Wharton University)
Discussant: Branger, Nicole (University of Muenster)

09:30 – 10:30  Mortgage Timing
Ralph S.J. Koijen (Tilburg University)
Otto van Hemert (NY University)
*Stijn van Nieuwerburgh (NY University)
Discussant: Ziegler, Alexandre (University of Lausanne)

10:30 – 11:00  Coffee Break

11:00 – 12:00  Stock Return Predictability in a Monetary Economy
*Abraham Lioui (Bar Ilan University)
Jesper Rangvid (Copenhagen University)
Discussant: Loriana Pelizzon (Universitá Ca' Foscari di Venezia)
**Week Two**

**Monday 23 July**

**Determinants of Corporate Control**
Chair: Mike Burkart (Stockholm School of Economics and CEPR)

08:30 – 09:20 **Pension Reform, Ownership Structure, and Corporate Governance: Evidence from Sweden**
*Mariassunta Gianetti (Stockholm School of Economics and CEPR)*
Luc Laeven (IMF and CEPR)

Discussant: Andrew Ellul (University of Indiana)

09:20 – 10:10 **The Dark Role of Investment Banks in the Market for Corporate Control**
A. Bodnaruk (Maastricht University)
Massimo Massa (INSEAD)
*Andrei Simonov (Stockholm School of Economics and CEPR)*

Discussant: David Yermack (NY Stern)

10:10 – 10:40 Coffee Break

10:40 – 11:30 **Security-Voting Structure and Bidder Screening**
Christian At (Université de Besançon)
*Mike Burkart (Stockholm School of Economics and CEPR)*
Samuel Lee (Stockholm School of Economics)

Discussant: Salvatore Piccolo (CSEF)

**Tuesday 24 July**

**Focus Session: Microfoundations of Financial choices: Trust, Overconfidence, and Risk Preferences**
Organizer: Paola Sapienza (Northwestern University and CEPR)

08:30 – 09:15 **The Importance of Trust, Overconfidence, and Risk Preferences in Financial Choices: an Introduction**
*Paola Sapienza (Northwestern University and CEPR)*

09:15 – 10:00 **Foundations of Trust and Social Capital**
*Michael Kosfeld (Zurich University)*

10:00 – 10:30 Coffee Break

10:30 – 11:15 **The Neural Basis of Risk Preferences and Beliefs**
*Camelia Kuhnen (Northwestern University)*
Wednesday 25 July

Private Equity
Chair: Ulf Axelson (SIFR and Stockholm School of Economics)

08:30 – 09:20
The Design of Syndicates in Venture Capital
Giacinta Cestone (Salerno University and CEPR)
Josh Lerner (HBS)
Lucy White (HBS and CEPR)
Discussant: Philip Bond (Wharton University)

09:20 – 10:10
Venture Capital Contracting: Staged Financing and Syndication of Later-Stage Investments
*Zsuzsanna Fluck (Michigan State University)
Kedran Garrison (MIT)
Stewart Myers (MIT)
Discussant: Uli Hege (HEC)

10:10 – 10:40
Coffee Break

10:40 – 11:30
The Financing of Large Buyouts: An Empirical Analysis
Ulf Axelson (SIFR and Stockholm School of Economics)
Tim Jenkinson (Oxford University and CEPR)
*Per Stromberg (SIFR and Stockholm School of Economics and CEPR)
Michael Weisbach (University of Illinois)
Discussant: David Sraer (INSEE – GREMAQ)

Thursday 26 July

Focus session: Cash Policy
Organizer: Toni Whited (Wisconsin University)

08:30 – 09:20:
The Corporate Propensity to Save
Leigh Riddick (American University)
*Toni Whited (Wisconsin University)

09:20 – 10:10
Financially Constrained Innovation Races: Evidence from Pharmaceutical Patents
*Enrique Schroth (Lausanne University)
Dezső Szalay (Warwick University)

10:10 – 10:40
Coffee Break

10:40 – 11:30
Cash Holdings and Credit Spreads
Viral V. Acharya (London Business School and CEPR)
Sergei A. Davydenko (University of Toronto)
*Ilya A. Streufert (Stanford University)
Friday 27 July

Information and Incentives
Chair: Jose Liberti (London Business School)

8:30 – 9:20 Stock Price Informativeness, Cross-Listings, and Investment Decisions
*Thomas Gehrig (Freiburg University and CEPR)
Thierry Foucault (HEC and CEPR)
Discussant: Andrew Hertzberg (Northwestern University)

9:20 – 10:10 Corporate Bonds: A Spare Tire in Emerging Markets
*Todd Gormley (Washington University)
Simon Johnson (IMF)
Changyon Rhee (Seoul National University)
Discussant: Stefano Rossi (Stockholm School of Economics)

10:10 – 10:40 Coffee Break

10:40 – 11:20 Information and Incentives Inside The Firm: Evidence From Loan Officers Rotation
Andrew Hertzberg (Northwestern University)
José Liberti (Northwestern University)
*Daniel Paravasini (Columbia Business School)
Discussant: Per Stromberg (Stockholm School of Economics, SIFR and CEPR)

Organizers
Philippe Bacchetta (Study Center Gerzensee, Université de Lausanne and CEPR)
David Thesmar (HEC & CEPR)
Pietro Veronesi (Graduate School of Business, University of Chicago and CEPR)