EUROPEAN SUMMER SYMPOSIUM IN FINANCIAL MARKETS

Generously hosted by
Study Center Gerzensee

Monday 14-25 July 2014

DRAFT PROGRAMME

WEEK 1 (ASSET PRICING)

MONDAY 14 JULY

Morning Session:

08.30 - 09.30  The Price of Political Uncertainty: Theory and Evidence from the Option Market
               Bryan Kelly (University of Chicago)
               Luboš Pástor (University of Chicago and CEPR)
               *Pietro Veronesi (University of Chicago and CEPR)

   Discussant:  Andrea Buraschi (Imperial College, London)

09.30 - 10.30  Nominal Rigidities and Asset Pricing
               *Michael Weber (University of California, Berkeley)

   Discussant:  Francisco Palomino (University of Michigan)

10.30 - 11.00  Coffee Break

11.00 - 12.00  Asset Prices and Portfolio Choice with Learning from Experience
               Paul Ehling (BI Norwegian School of Management)
               Alessandro Graniero (London Business School)
               *Christian Heyerdahl-Larsen (London Business School)

   Discussant:  Hongjun Yan (Yale University)

TUESDAY 15 JULY

Focus Session:  Active Asset Management
               Organiser:  Luboš Pástor (University of Chicago and CEPR)

08.30 - 08.50  Overview

08.50 - 09.40  Scale and Skill in Active Management
               *Luboš Pástor (University of Chicago and CEPR)
               Robert Stambaugh (University of Pennsylvania)
               Luke Taylor (University of Pennsylvania)
09.40 - 10.30 | Learning by Doing: The Value of Experience and the Origins of Skill for Mutual Fund Managers  
Elisabeth Kempf (Tilburg University)  
*Alberto Manconi (Tilburg University)  
Oliver Spalt (Tilburg University)

10.30 - 11.00 | Coffee Break

11.00 - 11.50 | Investor Sophistication and Capital Income Inequality  
*Marcin Kacperczyk (Imperial College, London)  
Jaromir Nosal (Columbia University)  
Luminita Stevens (University of Maryland)

**WEDNESDAY 16 JULY**

**Morning Session:**

08.30 - 09.30 | Asset Pricing and Risk-Sharing in a Complete Market: An Experimental Investigation  
*Bruno Blais (Toulouse School of Economics and CEPR)  
Thomas Mariotti (Toulouse School of Economics and CEPR)  
Sophie Moinas (Toulouse School of Economics)  
Sébastien Pouget (Toulouse School of Economics)  
Discussant: Martin Weber (University of Mannheim and CEPR)

09.30 - 10.30 | Smooth Trading with Overconfidence and Market Power  
Albert S. Kyle (University of Maryland)  
*Anna Obizhaeva (University of Maryland)  
Yajun Wang (University of Maryland)  
Discussant: Thierry Foucault (HEC Paris and CEPR)

10.30 - 11.00 | Coffee Break

11.00 - 12.00 | Network Risk and Key Players: A Structural Analysis of Interbank Liquidity  
Edward Denbee (Bank of England)  
Christian Julliard (London School of Economics and CEPR)  
Ye Li (Columbia University)  
*Kathy Yuan (London School of Economics and CEPR)  
Discussant: Semyon Malamud (EPFL and Swiss Finance Institute)

**THURSDAY 17 JULY**

**Focus Session:** New Models of Risk  
Organiser: Leonid Kogan (MIT)

08.30 - 08.45 | Overview

08.45 - 09.40 | Risk and Asset Composition  
*Leonid Kogan (MIT)  
Erik Loualiche (MIT)  
Dimitris Papanikolaou (Northwestern University)

09.40 - 10.35 | Firm Volatility in Granular Networks  
*Bryan Kelly (University of Chicago)  
Hanno Lustig (UCLA)  
Stijn Van Nieuwerburgh (New York University and CEPR)

10.35 - 11.05 | Coffee Break

11.05 - 12.00 | Sticky Leverage  
Joao Gomes (University of Pennsylvania)  
Urban Jermann (University of Pennsylvania)  
*Lukas Schmid (Duke University)
**Friday 18 July**

**Morning Session:**

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<th>Time</th>
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| 08.30 - 09.30 | BKK the EZ Way                                     | Riccardo Colacito (The University of North Carolina)  
*Max Croce (The University of North Carolina)  
Philip Howard (University of North Carolina)  
Steven Wei Ho (Tsinghua University) | Nikolai Roussanov (University of Pennsylvania) |
| 09.30 - 10.30 | The Term Structure of Currency Carry Trade Risk Premia | Hanno Lustig (UCLA)  
Andreas Stathopoulos (University of Southern California)  
*Adrien Verdelhan (MIT) | Bernard Dumas (INSEAD and CEPR) |
| 10.30 - 11.00 | Coffee Break                                       |                                                |                                 |
| 11.00 - 12.00 | The Credit Spread Puzzle - Myth or Reality?        | *Peter Feldhütter (London Business School)  
Stephen Schaefer (London Business School) | Stefano Giglio (University of Chicago) |

* Indicates the presenter.

**Organisers:**

- Dirk Niepelt (Study Center Gerzensee and CEPR)
- Anna Pavlova (London Business School and CEPR)
- Daniel Paravisini (London School of Economics and CEPR)
EUROPEAN SUMMER SYMPOSIUM IN FINANCIAL MARKETS

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21-26 July 2014

PROGRAMME

WEEK 2 (CORPORATE FINANCE)

MONDAY 21 JULY

Morning Session: Consumer Credit

08.30 - 09.30 Household Risk Management
*Adriano Rampini (Duke University and CEPR)
S. “Vish” Viswanathan (Duke University)

Discussant: David Martinez-Miera (Universidad Carlos III de Madrid)

09.30 - 10.30 Sticking to Your Plan: Hyperbolic Discounting and Credit Card Debt Paydown
Theresa Kuchler (NYU - Stern)

Discussant: Andrew Hertzberg (Columbia University)

10.30 - 11.00 Coffee Break

11.00 - 12.00 The Economic Effects of a Borrower Bailout: Evidence from an Emerging Market
Xavier Gine (World Bank)
*Martin Kanz (World Bank)

Discussant: Andres Liberman (NYU)

TUESDAY 22 JULY

Focus Session: Finance and Development
Organiser: Shawn Cole (Harvard Business School)

08.30 - 09.30 The Impact of Weather Insurance on Agricultural Outcomes: Evidence from a Seven-Year Field Experiment
Raghabendra Chattopadhyay (Poverty Action Lab), *Shawn Cole (Harvard Business School), Laura Litvine (Centre for Microfinance - IFMR), Dan Stein (World Bank), and Jeremy Tobacman (University of Pennsylvania)
09.30 - 10.30 Does Microfinance Foster Business Growth? The Importance of Entrepreneurial Heterogeneity
Abhijit Banerjee (MIT)
*Emily Breza (Columbia University)
Esther Duflo (MIT and CEPR)

10.30 - 11.00 Coffee Break

11.00 - 12.00 Age of Decision: Pension Savings Withdrawal and Consumption and Debt Response
*Sumit Agarwal (National University of Singapore)
Wenlan Qian (National University of Singapore)

WEDNESDAY 23 JULY

Morning Session: Innovation and Entrepreneurship

08.30 - 09.30 Can Unemployment Insurance Spur Entrepreneurial Activity? Evidence from France
*Johan Hombert (HEC Paris)
Antoinette Schoar (MIT and CEPR)
David Sraer (Princeton University and CEPR)
David Thesmar (HEC Paris and CEPR)

Discussant: Enrico Perotti (Universiteit van Amsterdam, Duisenberg School of Finance and CEPR)

09.30 - 10.30 CEO Contract Horizon and Innovation
*Juanita González-Uribe (London School of Economics)
Moqi Xu (London School of Economics)

Discussant: Amit Seru (University of Chicago)

10.30 - 11.00 Coffee Break

11.00 - 12.00 Causal Effects of Patent Lawsuits on M&A Activity
Tolga Caskurlu (University of Illinois, Urbana-Champaign)

Discussant: Cláudia Custódio (Arizona State University)

THURSDAY 24 JULY

Focus Session: Aggregate Implications of Micro-level Frictions
Organiser: Dimitris Papanikolaou (Northwestern University, Kellogg School of Management)

08.30 - 09.30 Adverse Selection, Slow Moving Capital and Misallocation
William Fuchs (UC Berkeley)
Brett Green (UC Berkeley)
*Dimitris Papanikolaou (Northwestern University, Kellogg School of Management)

09.30 - 10.30 Financial Frictions in Production Networks
Saki Bigio (Columbia University)
*Jennifer La’o (Columbia University)

10.30 - 11.00 Coffee Break

11.00 - 12.00 Liquidity Risk and the Dynamics of Arbitrage Capital
*Péter Kondor (Central European University and CEPR)
Dimitri Vayanos (LSE and CEPR)
**FRIDAY 25 JULY**

**Morning Session:** Distress, Renegotiation and Incentives

**08.30 - 09.30**

*Do Empty Creditors Matter? Evidence from Distressed Exchange Offers*
Andras Danis (Georgia Institute of Technology)

**Discussant:** Murray Frank (University of Minnesota)

**09.30 - 10.30**

*Debt Renegotiation and Investment Decisions Across Countries*
Giovanni Favara (Federal Reserve Board)
Erwan Morellec (EPFL and CEPR)
*Enrique Schroth (Cass Business School)*
Philip Valta (HEC Paris)

**Discussant:** Florian Heider (European Central Bank)

**10.30 - 11.00**

*Coffee Break*

**11.00 - 12.00**

*Does Hedging Reduce the Cost of Delegation?*
Sapnoti Eswar (London Business School)

**Discussant:** Dalida Kadyrzhanova (University of Maryland)

* Indicates the presenter.

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