

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 Return 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: Lorian Pelizzon (Università 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 (Indiana University)

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. Strebulaev (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)