

# **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: 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 (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. 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)