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The Wharton School, Finance Department
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Research Interests:

Asset Pricing. Derivative Markets. Pricing under Model Uncertainty and Learning. Financial Econometrics.

Graduate Studies:

Ph.D., Finance, University of Pennsylvania, May 2009 (Expected)
M.A., Finance, University of Pennsylvania, December 2007
M.A., Mathematics, University of Pennsylvania, May 2003

Undergraduate Studies:

BSEcon, Finance, University of Pennsylvania, *summa cum laude,* May 2002
BSE, Computer Science and Mathematics, University of Pennsylvania, *summa cum laude*, May 2002

Teaching Experience (TA):

Fall: 2005-06	Investments Management (MBA and undergraduate),
Fall: 2006	Financial Economics (Ph.D)
Spring: 2006-08	Monetary Economics and the Global Economy (undergraduate)

Other Experience:

06/2003-07/2004	Susquehanna International Group, Fixed Income
06/2002-08/2002	Susquehanna International Group, Fixed Income Intern
06/2001-08/2001	Goldman, Sachs and Co., Quantitative Strategies, Summer Analyst

Research Papers:

- "Uncertainty, Time-Varying Fear, and Asset Prices" **(**Job Market Paper**)**
- "What's Vol Got To Do With It" (with Amir Yaron) [Under Review]
- "The Role of Payout Horizon in Determining the Risks and Returns of Claims to Aggregate Cash Flows"

Research Papers In Progress:

- "Pricing from Fundamentals: Should We Use the Cash Flow Processes from Dynamic Portfolio Strategies or Their Underlying Firms?" (with Paul Zurek)

Professional Activities:

Presentations: **"**New Hope for the C-CAPM" symposium, CREATES, University of Aarhus, Denmark, May 2008
Econometric Society Summer Meeting 2008, Carnegie Mellon University
Society for Economic Dynamics Annual Meeting 2008, Cambridge (Massachusetts) 2008
NBER Summer Institute, Capital Markets and the Economy Workshop, 2008
NBER Asset Pricing Meeting, Fall 2008
AFA, San Francisco, 2009

Workshops: Institute for Computational Economics (ICE) 2006, Argonne-UChicago (Chairs: L. Hansen, K. Judd, J. More)

Referee: Finance Research Letters

Scholarships and Grants:

Dean's Fellowship, 2008 (Competitive Award for Fifth Year Support)
Rodney L. White Center Research Grant, 2007
Dean's Fellowship for Distinguished Merit, 2004-2007
Institute for Computational Economics (ICE), 2006

Information:

DOB: 12/09/1980
Citizenship: USA, Israel
Computer Skills: Matlab, Eviews, SAS, Latex, C, Excel VBA

Thesis Committee and References:

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Research Abstracts:

"Uncertainty, Time-Varying Fear, and Asset Prices"; December 2008 **[**Job Market Paper]

I argue that time-varying Knightian uncertainty regarding economic fundamentals plays a central role in accounting for the equity premium, return volatility and the large, volatile variance premium embedded in equity index option prices. I build a general equilibrium framework that incorporates time-varying Knightian uncertainty about diffusive and jump shocks to the level and volatility of long-run cash-flow growth rates. A calibrated model is shown to capture the variance premium and option skew while simultaneously matching the moments of cash-flows and stock returns. The model indicates that fluctuations in the variance premium strongly reflect changes in the level of Knightian uncertainty and should predict monthly stock returns, consistent with recent empirical evidence.

"What's Vol Got To Do With It" (with Amir Yaron); June 2008 [Under Review]

Uncertainty plays a key role in economics, finance, and decision sciences. Financial markets, in particular derivative markets, provide fertile ground for understanding how perceptions of economic uncertainty and cashflow risk manifest themselves in asset prices. We demonstrate that the variance premium, defined as the difference between the squared VIX index and expected realized variance, captures attitudes toward uncertainty. We show conditions under which the variance premium displays significant time variation and return predictability. A calibrated, generalized Long-Run Risks model generates a variance premium with time variation and return predictability that is consistent with the data, while simultaneously matching the levels and volatilities of the market return and risk free rate. Our evidence indicates an important role for transient non-Gaussian shocks to fundamentals that affect agents' views of economic uncertainty and prices.

"The Role of Payout Horizon in Determining the Risks and Returns of Claims to Aggregate Cash Flows"; September 2006

This paper examines the implications of payout horizon for the prices of aggregate cashflows. The interaction of two long-run forces — a long-run risk in consumption and aggregate dividends, and a cointegration relationship between consumption and aggregate dividends — leads to non-monotonic relationships between a payout's horizon and its cash flow risks, discount rate risks, and risk premia. These relationships with payout horizon are presented as term structures of risk sensitivities and return premia for so-called zero-coupon equity strips. Analytic expressions are derived for these term structures and examined to see how the interaction of long-run risk and cointegration determine risk and expected return. It is found that differences in payout horizon can result in significant differences in mean returns, with long-run strips earning the lowest risk premia and 'intermediate' term strips earning the highest premia. Based on this result, the paper then considers the possibility that differences in firms' payout horizon can account for a value premium within this long-run risks framework. Significant differences in mean returns can arise. However, when payout horizon is the sole difference between firms, the model is unable to account for the failure of the CAPM when calibrated to match first and second moments of aggregate consumption, dividends, and the market.