Long Title

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Long Affiliation

This paper

Question: What?

Approach: How?

• Main Result: We find this.

Application: Our finding has implications for this.

Definitions

Let this be ...

Related Literature

- Initial motivation for term structure of equity lit.: value stocks (high book-to-market stocks) have higher risk adjusted expected returns than growth stocks. Does difference in cash flow growth explain premium? Lettau and Wachter (2007); Hansen, Heaton, Li (2008)
- First direct measurement used options data and leverages put-call parity: put and call payoffs depend on price changes, not total return. Returns on short-term strips are higher than aggregate stock market, contrary to prediction of leading asset pricing models.

Binsbergen, Brandt, Koijen (2012)

 Phenomenon exists across countries and asset classes: cross-section of equity, nominal and corporate bonds (in Sharpe ratios), credit default swaps, volatility, housing.

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e.g., Palhares (2012), Giglio, Maggiori, Stroebel (2015); Binsbergen, Koijen (2017); Gormsen, Lazarus (2019)
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Examining macroeconomic models through the lens of asset pricing.
Growth expecations and dividend futures prices.

Borovička, Hansen (2014); Gormsen, Koijen (2020)

Stylized Facts

The Term Structure of Equity

- This is in the data...
- That...

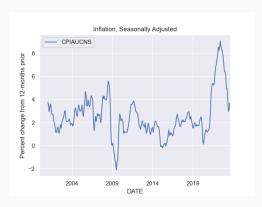
Model

Model Setup

• Consider a model in which...

Stylized Facts

Figure 1Example plot



Traditional calibration...



Extra Material

Proposition 7 (cont.)

This and that