

Michael W. Brandt

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Education

Ph.D., Finance, University of Chicago, Booth School of Business, 1998.
M.B.A., Finance, University of Chicago, Booth School of Business, 1997.
M.Sc., Economics, with honors, London School of Economics, 1993.
B.A., Economics, summa cum laude, Westminster College of Salt Lake City, 1992.

Academic Employment

Duke University, Fuqua School of Business
Professor of Finance, 2007-present.
Associate Professor of Finance, with tenure, 2003-2007.

University of Pennsylvania, Wharton School
Assistant Professor of Finance, 1997-2003.

University of Chicago, Graduate School of Business
Teaching Assistant, 1995-1997.

Other Academic Appointments

EDHEC Business School
Affiliated Faculty, 2013-present.

City University of London, Cass Business School
Visiting Professor of Finance, 2013-2014.

Co-Editor, *Review of Finance*, 2009-2012.

Associate Editor
Journal of Systematic Investing, 2019-present.
Journal of Finance, 2003-2012.
Journal of Econometrics, 2005-2009.
Finance Research Letters, 2004-2008.
Management Science, 2001-2008.
Journal of Applied Econometrics, 2004-2006.

National Bureau of Economic Research (NBER)
Faculty Research Associate, 2004-2019.
Research Fellow, 1999-2004.

Other Employment

Managing Principal, Chief Investment Officer, QMS Capital Management LP, Durham, 2009-present.
Research Assistant, J.P. Morgan Futures Inc., Exchange Traded Products, Chicago, 1994-1996.
Research Assistant, J.P. Morgan Securities Inc., Mortgage Backed Derivatives, New York, 1993.

Teaching Experience

Derivatives, M.B.A. and M.Q.M., Fuqua School of Business, 2013-2017.

Global Financial Management, M.B.A. Core Course, Fuqua School of Business, 2011-2012, 2015.

Fixed Income Securities, M.B.A. and M.Q.M., Fuqua School of Business, 2003-2009, 2011, 2018

Financial Engineering, M.B.A., Fuqua School of Business, 2008-2009.

Financial Economics (Research Topics), Ph.D. , Fuqua School of Business, 2004-2009.

Finance I (Asset Pricing), Ph.D., Fuqua School of Business, 2003-2009.

Speculative Markets (Derivatives), M.B.A. and undergraduate, Wharton School, 1997-1999, 2003.

Empirical Research in Finance, Ph.D., Wharton School, 1998-2003.

Awards and Grants

Research Awards and Nominations

- 2013 Crowell Second Prize for “Economic Cycles and Expected Stock Returns” awarded by the PanAgora Asset Management’s Quantitative Research Institute.
- 2010 Swiss Finance Institute Outstanding Paper Award for “On the Timing and Pricing of Dividends” as research paper circulated over the previous 12 months making an outstanding contribution to finance.
- Goldman Sachs Asset Management Quant Prize for “Resolving Macroeconomic Uncertainty in Stock and Bond Markets” as best paper published in 2008/2009 by the *Review of Finance*.
- Barclays Global Investors Prize for “The Effect of Macroeconomic News on Beliefs and Preferences: Evidence from the Options Market” as best paper at the 2003 European Finance Association meeting.
- FAME Research Prize for “Variable Selection for Portfolio Choice” as best paper in asset management or financial engineering at the 2001 American, European, and Western Finance Association meetings.
- Geewax, Terker, and Co. Prize for “Range-Based Estimation of Stochastic Volatility Models” as best working paper published in 2001 by the Rodney L. White Center for Financial Research.
- Nomination for Smith Breeden Prize of “Price Discovery in the U.S. Treasury Market: The Impact of Orderflow and Liquidity on the Yield Curve” as best paper published in 2005 by the *Journal of Finance*.
- Nomination for Smith Breeden Prize of “Estimating Portfolio and Consumption Choice: A Conditional Euler Equations Approach” as best paper published in 1999 by the *Journal of Finance*.

Teaching Awards and Nominations

Chrysler Corporation Award for Excellence in Elective Teaching, Fuqua School of Business, 2008.

Excellence in Teaching Award, Graduate Division, Wharton School, 1999, 2000, 2001.

Nomination for Lindback Award for Distinguished Teaching, University of Pennsylvania, 2001.

Research Grants

INQUIRE Europe Research Grant, 2013.

INQUIRE UK Research Grant, 2011.

Netspar Research Grant, 2011.

International Centre for Pension Management (ICPM), 2007-2008.

Global Capital Markets Center, Fuqua School of Business, 2003-2007.

Rodney L. White Center for Financial Research, Wharton School, 1997-2003.

Weiss Center for International Financial Research, Wharton School, 2001-2002.

Ph.D. Fellowship, Graduate School of Business, University of Chicago, 1994-1997.

Publications

Articles in Refereed Journals (journals list authors in alphabetical order)

1. Beber, Alessandro, Michael W. Brandt, Jason Cen, and Kenneth A. Kavajecz, [Mutual Fund Performance: Using Bespoke Benchmarks to Disentangle Mandates, Constraints and Skill](#), *Journal of Empirical Finance* 60, 2021, 74-93.
2. Brandt, Michael W., Federico Nucera, and Giorgio Valente [Can Hedge Funds Time the Market?](#), *International Review of Finance* 19, 2019, 459-469.
3. Brandt, Michael W., and Lin Gao, [Macro Fundamentals or Geopolitical Events? A Textual Analysis of News Events for Crude Oil](#). *Journal of Empirical Finance* 51, 2019, 64-94.
4. Brandt, Michael W., and David A. Chapman, [Linear Approximations and Tests of Conditional Asset Pricing Models](#), *Review of Finance* 22, 2018, 455-489.
5. Beber, Alessandro, Michael W. Brandt, and Maurizio Luisi, [Distilling the Macroeconomic News Flow](#), *Journal of Financial Economics* 117, 2015, 489-507.
6. van Binsbergen, Jules H., Michael W. Brandt, and Ralph S.J. Koijen, [On the Timing and Pricing of Dividends](#), *American Economic Review* 102, 2012, 1596-1618.
7. Beber, Alessandro, Michael W. Brandt, and Kenneth A. Kavajecz, [What Can Equity Orderflow Tell Us about the Economy?](#), *Review of Financial Studies* 24, 2011, 3688-3730.
8. Brandt, Michael W., Alon Brav, John R. Graham, and Alok Kumar, [The Idiosyncratic Volatility Puzzle: Time Trend or Speculative Episodes?](#), *Review of Financial Studies* 23, 2010, 863-899.
9. Beber, Alessandro, and Michael W. Brandt, [When It Cannot Get Better or Worse: The Asymmetric Impact of Good and Bad News on Bond Returns in Expansions and Recessions](#), *Review of Finance* 14, 2010, 119-155.
10. Brandt, Michael W., Pedro Santa-Clara, and Rossen Valkanov, [Parametric Portfolio Policies: Exploiting Characteristics in the Cross-Section of Equity Returns](#), *Review of Financial Studies* 22, 2009, 3411-3447
11. Beber, Alessandro, and Michael W. Brandt, [Resolving Macroeconomic Uncertainty in Stock and Bond Markets](#), *Review of Finance* 13, 2009, 1-45. Lead article.
12. Beber, Alessandro, Michael W. Brandt, and Kenneth A. Kavajecz, [Flight-to-Quality or Flight-to-Liquidity? Evidence from the Euro-Area Bond Market](#), *Review of Financial Studies* 22, 2009, 925-957. Lead article.
13. van Binsbergen, Jules H., Michael W. Brandt, and Ralph S.J. Koijen, [Optimal Decentralized Investment Management](#), *Journal of Finance* 63, 2008, 1849-1895.
14. Brandt, Michael W., Kenneth A. Kavajecz, and Shane E. Underwood, [Price Discovery in the Treasury Futures Market](#), *Journal of Futures Markets* 27, 2007, 1021-1051. Lead article.
15. van Binsbergen, Jules H., and Michael W. Brandt, [Solving Dynamic Portfolio Choice Problems by Recursing on Optimized Portfolio Weights or on the Value Function?](#), *Computational Economics* 29, 2007, 355-368.
16. Beber, Alessandro, and Michael W. Brandt, [The Effect of Macroeconomic News on Beliefs and Preferences: Evidence from the Options Market](#), *Journal of Monetary Economics* 53, 2006, 1997-2039.
17. Brandt, Michael W., and Pedro Santa-Clara, [Dynamic Portfolio Selection by Augmenting the Asset Space](#), *Journal of Finance* 61, 2006, 2187-2217.
18. Brandt, Michael W., and Christopher S. Jones, [Volatility Forecasting with Range-Based EGARCH Models](#), *Journal of Business and Economic Statistics* 24, 2006, 470-486.
19. Brandt, Michael W., John H. Cochrane, and Pedro Santa-Clara, [International Risk Sharing is Better Than You Think, or Exchange Rates are Too Smooth](#), *Journal of Monetary Economics* 53, 2006, 671-698.

20. Brandt, Michael W., and Francis X. Diebold, [A No-Arbitrage Approach to Range-Based Estimation of Return Covariances and Correlations](#), *Journal of Business* 79, 2006, 61-73.
21. Brandt, Michael W., and Christopher S. Jones, [Bayesian Range-Based Estimation of Stochastic Volatility Models](#), *Finance Research Letters* 2, 2005, 201-209.
22. Brandt, Michael W., Amit Goyal, Pedro Santa-Clara, and Jonathan R. Stroud, [A Simulation Approach to Dynamic Portfolio Choice with an Application to Learning About Return Predictability](#), *Review of Financial Studies* 18, 2005, 831-873.
23. Brandt, Michael W., and Kenneth A. Kavajecz, [Price Discovery in the U.S. Treasury Market: The Impact of Orderflow and Liquidity on the Yield Curve](#), *Journal of Finance* 59, 2004, 2623-2654.
24. Brandt, Michael W., Qi Zeng, and Lu Zhang, [Equilibrium Stock Return Dynamics under Alternative Rules of Learning About Hidden States](#), *Journal of Economic Dynamics and Control* 28, 2004, 1925-1954. Lead article.
25. Brandt, Michael W., and Qiang Kang, [On the Relationship Between the Conditional Mean and Volatility of Stock Returns: A Latent VAR Approach](#), *Journal of Financial Economics* 72, 2004, 217-257.
26. Brandt, Michael W., and Kevin Q. Wang, [Time-Varying Risk Aversion and Unexpected Inflation](#), *Journal of Monetary Economics* 50, 2003, 1457-1498.
27. Brandt, Michael W., [Hedging Demands in Hedging Contingent Claims](#), *Review of Economics and Statistics* 85, 2003, 119-140.
28. Brandt, Michael W., and Tao Wu, [Cross-Sectional Tests of Deterministic Volatility Functions](#), *Journal of Empirical Finance* 9, 2002, 525-550.
29. Alizadeh, Sassan, Michael W. Brandt, and Francis X. Diebold, [Range-Based Estimation of Stochastic Volatility Models](#), *Journal of Finance* 57, 2002, 1047-1091 (45 pages). Lead article.
30. Brandt, Michael W., and Pedro Santa-Clara, [Simulated Likelihood Estimation of Diffusions with an Application to Exchange Rate Dynamics in Incomplete Markets](#), *Journal of Financial Economics* 63, 2002, 161-210. Lead article.
31. Aït-Sahalia, Yacine, and Michael W. Brandt, [Variable Selection for Portfolio Choice](#), *Journal of Finance* 56, 2001, 1297-1351.
32. Brandt, Michael W., [Estimating Portfolio and Consumption Choice: A Conditional Euler Equations Approach](#), *Journal of Finance* 54, 1999, 1609-1646.

Other Publications (journals list authors in alphabetical order)

33. van Binsbergen, Jules H., and Michael W. Brandt, [Optimal Asset Allocation in Asset Liability Management](#), in P. Veronesi, *Handbook of Fixed Income Securities*, John Wiley & Sons, 2016.
34. Ang, Andrew, Michael W. Brandt, and David F. Denison, [Review of the Active Management of the Norwegian Government Pension Fund Global](#), External Report to the Norwegian Ministry of Finance, 2014.
35. van Binsbergen, Jules H., Michael W. Brandt, and Ralph S.J. Koijen, [Decentralized Decision Making in Investment Management](#), in B. Scherer and K. Winston, *The Oxford Handbook of Quantitative Asset Management*, Oxford University Press, 2012.
36. Brandt, Michael W., [Portfolio Choice Problems](#), in Y. Aït-Sahalia and L.P. Hansen, *Handbook of Financial Econometrics, Volume 1: Tools and Techniques*, North Holland, 2010.
37. Brandt, Michael W., and David A. Chapman, [Affine Term Structure Models](#), in S. Durlauf and L. Blume, *The New Palgrave Dictionary of Economics, Second Edition*, Palgrave Macmillan, 2008.
38. Brandt, Michael W., and Pedro Santa-Clara, [Comment on G.B. Durham and A.R. Gallant: Numerical](#)

Techniques for Maximum Likelihood Estimation of Continuous-Time Diffusion Processes, *Journal of Business and Economic Statistics* 20, 2002, 321-324.

Working Papers

39. Beber, Alessandro, Michael W. Brandt, and Jason Cen, [Switching Risk Off: FX Correlations and Risk Premia](#). Last revised January 2017.
40. Beber, Alessandro, Michael W. Brandt, and Maurizio Luisi, [Realized and Anticipated Macroeconomic Conditions Forecast Stock Returns](#). Last revised November 2014.
41. Beber, Alessandro, Michael W. Brandt, and Maurizio Luisi, [Eurozone Sovereign Yield Spreads and Diverging Economic Fundamentals](#). Last revised June 2014.
42. Beber, Alessandro, Michael W. Brandt, Mathijs Cosemans, and Michela Verardo, [Ownership Crowded with Style: Institutional Investors, Liquidity and Liquidity Risk](#). Last revised February 2013.
43. Addoum, Jawad M., Jules H. van Binsbergen, and Michael W. Brandt, [Asset Allocation and Managerial Assumptions in Corporate Pension Plans](#). Last revised June 2010.
44. Brandt, Michael W., and Leping Wang, [Measuring the Time-Varying Risk-Return Relation from the Cross-Section of Equity Returns](#). Last revised June 2010.
45. Brandt, Michael W., Runeet Kishore, Pedro Santa-Clara, and Mohan Venkatachalam, [Earnings Announcements are Full of Surprises](#). Last revised January 2008.
46. Aït-Sahalia, Yacine, and Michael W. Brandt, [Consumption and Portfolio Choice with Option Implied State Prices](#). Last revised November 2007.
47. Brandt, Michael W., Xing Jin, and Leping Wang, [Cash-Flow Risk, Discount-Rate Risk, and the Time-Varying Market Risk Premium](#). Last revised August 2007.
48. Brandt, Michael W., and Ping He, [Simulated Likelihood Estimation of Affine Term Structure Models from Panel Data](#). Last revised August 2006.
49. Brandt, Michael W., and Amir Yaron, [Time-Consistent No-Arbitrage Models of the Term Structure](#). Last revised February 2003.
50. Brandt, Michael W., and David A. Chapman, [Comparing Multifactor Models of the Term Structure](#). Last revised October 2002.

Professional Service

- Academic Advisory Board Member, National Institute of Public Finance (NIPF), 2016-present.
- Academic Advisory Board Member, Alternative Investments Forum (AIF), 2016-present.
- Academic Advisor, INQUIRE Europe, 2009-2013.
- 2010 NBER Summer Institute Econometric Methods Lecture: Financial Economics.
- Finance Area Coordinator, Fuqua School of Business, 2007-2010.
- Program co-chair of 2007 Western Finance Association Meeting.
- Co-organizer of 2005 Duke-UNC Asset Pricing Conference.
- Co-organizer of 2000 NBER University Research Conference on Asset Pricing and Portfolio Allocation.
- Program committee
- American Finance Association Meeting, 2004-2013.
 - Western Finance Association Meeting, 2003-2013.
 - Society of Financial Econometrics Meeting, 2008, 2012.

Session chair

SFS Cavalcade North America Conference, 2020
American Finance Association Meeting, 2004, 2005, 2010.
European Finance Association Meeting, 2009, 2010.
Western Finance Association Meeting, 2004.
Winter Meeting of the Econometric Society, 2003.

2004 American Finance Association Nominating Committee.

Ph.D. dissertation committee member for Sassan Alizadeh (1998, Bear Sterns), Spencer Martin (1998, Ohio State University), Jing Zhang (1998, KMV), Doron Avramov (2000, University of Maryland), Christopher Jones (2000, University of Rochester), Yoel Lax (2001, Goldman Sachs), Vassilis Polimenis (2001, University of California at Riverside), Qiang Kang (2002, University of Hong Kong), Canlin Li (2002, University of California at Riverside), Alessandro Beber (2003, University of Lausanne), Qi Zeng (2003, University of Melbourne), Shane Underwood (2004, Rice University), Lynn Bai (2007, University of Cincinnati Law School), Bruce Carlin (2007, UCLA), Nataliya Khmilevska (2007, committee chair, Lehman Brothers), Runeet Kishore (committee chair, BlackRock), Jules van Binsbergen (2008, committee co-chair, Stanford), Ralph Koijen (2008, University of Chicago), Robert Darwin (2010, QMS Capital Management), Jawad Addoum (2012, committee chair, University of Miami), Carlos Heitor Campani (2013, Princeton University postdoc), Matthew Johnson (2017, QMS Capital Management), Stefano Dova (2018, Mediobanca).

Referee for *American Economic Review*, *European Finance Review*, *European Journal of Finance*, *Finance and Stochastics*, *Journal of Applied Econometrics*, *Journal of Banking and Finance*, *Journal of Business*, *Journal of Business and Economic Statistics*, *Journal of Econometrics*, *Journal of Empirical Finance*, *Journal of Finance*, *Journal of Financial Economics*, *Journal of International Economics*, *Journal of Political Economy*, *Management Science*, National Science Foundation, *Review of Economic Studies*, *Review of Financial Studies*, *Schmalenbach Business Review*, Social Sciences and Humanities Research Council of Canada.

Member of American Finance Association, European Finance Association, Western Finance Association.

Invited Presentations

Conferences

- 2020: Finance Down Under Conference (keynote), Fall Meeting of the NBER Behavioral Finance group (discussion).
- 2019: FTSE World Investment Forum.
- 2015: Annual Meeting of the American Finance Association (discussion), NBER Summer Institute (discussion), Deutsche Bank Global Quantitative Strategy Conference.
- 2014: Annual Meeting of the American Finance Association (discussion).
- 2013: FTSE World Investment Forum, Norwegian Financial Research Conference, 8th Annual Conference on Advances in the Analysis of Hedge Fund Strategies at Imperial College (keynote).
- 2012: INQUIRE Europe and INQUIRE UK Seminar, FTSE World Investment Forum, Cass Business School Asset Pricing Retreat, Cass Business School Asset Allocation in Uncertain Times conference.
- 2011: Adam Smith Asset Pricing Conference (discussion), Q-Group Fall conference
- 2010: Annual Meeting of the American Economic Association (discussion).
- 2009: INQUIRE Europe Seminar.
- 2008: Annual Meeting of the American Economic Association (discussion), Rotman ICPM New Perspectives on Institutional Investing Forum.

- 2007: CIREQ-CIRANO Financial Econometrics Conference, Summer Meeting of the Econometric Society, Vienna Symposium on Asset Management.
- 2006: Annual Meeting of the American Finance Association (discussion), Federal Reserve Bank of Atlanta's Financial Econometrics Conference, Indian School of Business Winter Research Conference.
- 2005: Annual Meeting of the American Finance Association, Annual Meeting of the American Economic Association (3 discussions), UBC Finance Conference (discussion), Wharton Conference on Credit Risk and Asset Pricing (discussion).
- 2004: Annual Meeting of the American Finance Association (discussion), Winter Meeting of the Econometric Society (discussion), Fall Meeting of the Chicago Quantitative Alliance.
- 2003: Annual Meeting of the American Finance Association (discussion), CIRANO Conference on Portfolio Choice, Spring Meeting of the NBER Asset Pricing group (discussion), Fall Meeting of the NBER Asset Pricing group.
- 2002: Spring Meeting of the NBER Asset Pricing group (discussion), CIRANO Conference on Monte Carlo and Numerical Methods in Finance, Texas Finance Festival (discussion), Annual Meeting of the Western Finance Association (discussion), NBER Summer Institute (discussion), LSE Conference on Research Frontiers in Hedge Fund Management.
- 2001: Annual Meeting of the American Finance Association, Winter Meeting of the Econometric Society (discussion), Utah Winter Finance Conference, Texas Finance Festival, Annual Meeting of the Western Finance Association, Fall Meeting of the NBER International Finance and Macroeconomics group, Handbook of Financial Econometrics Conference at Princeton University (presentation and discussion).
- 2000: Annual Meeting of the American Finance Association (presentation and discussion), Rodney L. White Conference on Household Financial Decision Making and Asset Holdings (discussant), NBER Summer Institute, Fall Meeting of the NBER Asset Pricing group.
- 1999: Annual Meeting of the American Finance Association (presentation and discussion), Spring Meeting of the NBER Asset Pricing group, Annual Meeting of the Western Finance Association (2 discussions), NBER Summer Institute, Fall Meeting of the NBER Asset Pricing group (discussion), Risk Conference on Computational Methods in Finance.
- 1998: Annual Meeting of the Western Finance Association, NBER Summer Institute, Fall Meeting of the NBER Market Microstructure group (discussion).

Seminars and Workshops

- 2020: Virtual Finance Workshop.
- 2019: EDHEC Business School.
- 2015: EDHEC Business School.
- 2013: PanAgora Asset Management, Norges Bank Investment Management.
- 2012: EDHEC Business School.
- 2011: Swiss Finance Institute, University of Lausanne.
- 2010: Oxford University, University of Warwick, University of Vienna.
- 2009: University of Texas at Austin, Southern Methodist University, Arizona State University, Washington University in St. Louis.
- 2008: Texas A&M University, MIT, New York University, Two Sigma Investments, D.E. Shaw, Boston College.
- 2007: University of Pennsylvania, University of California at Los Angeles, University of Southern California,

University of Vienna.

- 2006: Carnegie Mellon University, University of North Carolina, University of Illinois, University of Wisconsin, Princeton University, Stanford University, Barclays Global Investors, University of California at Berkeley.
- 2005: Columbia University, Emory University, European Central Bank, INSEAD, University of Michigan, University of Amsterdam.
- 2004: Cornell University, European Central Bank, Rice University, Society of Quantitative Analysts, Tulane University, UCLA, University of Georgia, University of Rochester.
- 2003: London Business School, Duke University, Arizona State University.
- 2002: University of Pennsylvania, New York University, Temple University, Duke University, University of Maryland, London School of Economics, University of British Columbia, University of Toronto, Morgan Stanley Investment Management, University of Colorado.
- 2001: University of Pennsylvania, Federal Reserve Bank of New York, Federal Reserve Board, Harvard University, Northwestern University, University of Geneva, University of Lausanne.
- 2000: Carnegie Mellon University, Columbia University, Goldman Sachs Asset Management, Harvard University, MIT, New York University, Rochester University, University of Chicago, Stanford University.
- 1999: University of Texas at Austin, New York University, Federal Reserve Bank of Atlanta.
- 1998: MIT, University of Chicago.
- 1997: Columbia University, Duke University, Northwestern University, Ohio State University, Stanford University, University of California at Berkeley, University of California at Los Angeles, University of Pennsylvania, University of Southern California, Yale University.
- 1996: University of Chicago.