

Borel Ahonon

PHD CANDIDATE IN FINANCE · MCGILL UNIVERSITY

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Education

2020- Exp. 2026 Ph.D. in Finance, **McGill University**, Canada
2017-2019 Master of Research in Management, **IESE Business School**, Spain
2016-2017 M.Sc. in Finance, part-time, **Emlyon Business School**, France
2009-2012 M.Sc. in Statistics and Applied Economics, **ENSEA**, Cote d'Ivoire
2005-2008 B.Sc. in Statistics, **ENEAM**, Benin

References

Prof. Patrick Augustin

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Prof. Guillaume Roussellet

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Prof. Daniel Andrei

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Research Interests

Asset Pricing, Macrofinance, International Finance, Sovereign Credit Risk, Term Structure of Interest Rates.

Job Market Paper

Sovereign Credit Risk and the Tale of Two Inflations

The relationship between inflation and public debt sustainability remains ambiguous because inflation can stem from domestic or external forces. I distinguish between domestic and U.S. inflation and examine their effects on sovereign credit risk in advanced economies. Using monthly data for twenty-three advanced economies between 2001 and 2022, I document two empirical facts: domestic inflation raises sovereign credit risk, whereas U.S. inflation lowers it. These opposite effects operate mainly through investors' expectations of sovereign default rather than risk premia. The negative association between U.S. inflation and sovereign credit risk reflects a "good inflation" channel, where demand-driven price increases arise during periods of stronger economic activity and lower default probabilities. In contrast, domestic inflation signals tighter monetary policy and weaker fiscal prospects, heightening concerns about debt sustainability.

Working Papers

When Long-Run Trends Are Unknown: Bond Pricing Implications, with Guillaume Roussellet

What macroeconomic insights can the term structure of Treasury yields give us when investors need to disentangle permanent and transitory aggregate shocks? We formulate a macro-finance model where inflation, growth, and the monetary policy rate are driven by a combination of long-run trends and shorter-lived cycles. The representative investor only observes the aggregate macroeconomic variables but not their decomposition in permanent and transitory components, so she performs Bayesian learning. Despite the learning complexity, our model produces closed-form affine Treasury yields formulas. Estimation reveals significant uncertainty about long-term real interest rate estimates, in sharp contrast with those obtained from perfect information models. We find that because the investor confuses trends with cycles when faced with aggregate macroeconomic movements, the yield curve can under or overreact to structural shocks.

A Macrofinance Perspective on the Twin Ds - Default and Depreciation Risks

How are sovereign credit risk and exchange rate related? How does the difference in credit default swaps (CDS) spreads on the same entity but denominated in different currencies, i.e. quanto spread, arise? I empirically document a negative contemporaneous relationship between sovereign credit risk and exchange rate and a positive predictability of exchange rates by quanto CDS spreads. I then propose an international macrofinance model in which the level, volatility, and term structure of quanto spread are driven by a rare disaster risk with time-varying probability and its contagion effect. These features of quanto spread depend on the correlation of cross-country expected consumption volatilities and present a trade-off: an upward term structure of quanto spread and a strong negative contemporaneous relationship lead to a negative predictability relationship and exceedingly high exchange rate volatility.

Presentations

- 2025 Southern Finance Association (scheduled), University of Luxembourg *, McGill University
Northern Finance Association (poster)[†], Canadian Economics Association, European Financial Management Association (doctoral seminar) [†], 12th Montreal Business School Joint-PhD Symposium.
- 2024 Federal Reserve Bank Of New York*, FRBC-FRBSF-JFE Conference on Fixed Income Markets and Inflation*
McGill University, Société Canadienne de Science Economique*, 19th CIREQ PhD Students' Conference.

DISCUSSIONS

- 2025 Southern Finance Association (scheduled)

Teaching Experience

- Summer 2025 **Introduction to Finance**, Instructor, McGill University
- Winter 2025 **The Firm in the Macroeconomy - MCGR 294**, Teaching Assistant, McGill University
- Fall 2022 **Advanced Finance Seminar - FINE 547**, Teaching Assistant, McGill University

Work Experience

- 2020/06-2020/09 **Research Assistant**, Université Laval, Canada
- 2013/06-2017/06 **Strategy and Research Analyst**, MDE Business School, Cote d'Ivoire
- 2012/09-2013/04 **Business Intelligence Analyst**, Comium, Cote d'Ivoire
- 2011/08-2011/12 **Research Analyst**, Ministry of Economy and Finance, Benin
- 2009/01-2009/09 **Research Analyst in the Macroeconomic Unit**, Ministry of Economy and Finance, Benin

Awards, Fellowships & Grants

- 2025-2026 **PhD Arbour Scholarship (30,000 CAD)**, Arbour Foundation
- 2025-2026 **CSIRF PhD Scholarship Award (25,000 CAD)**, Canadian Securities Institute Research Foundation
- 2024-2025 **PS752 Commemorative Scholarship (29,000 CAD)**, Foreign Affairs, Trade and Development Canada
- 2023-2025 **FRQ Doctoral Scholarship (58,333 CAD)**, Fonds de Recherche du Québec, Société et Culture
- 2023 **FTG Summer School Fellowship (500 USD)**, Finance Theory Group and the JFQA
- 2022-2023 **Canadian Derivatives Exchange Graduate Scholarship (25,000 CAD)**, Montreal Exchange, Inc.
- 2020-2025 **Graduate Excellence Award in Management**, McGill University
- 2020-2021 **Richard Evans Entry Fellowship (15,000 CAD)**, Rio Tinto Limited
- 2020-2021 **Rathlyn Fellowship in Management (10,000 CAD)**, Rathlyn Foundation
- 2017-2019 **IESE MRM Scholarship**, IESE International Foundation
- 2009-2012 **Odon Vallet Scholarship**, Vallet Foundation
- 2009-2012 **National Scholarship for Study Abroad**, Government of Benin
- 2008 **ITU Telecom Africa 2008 Youth Fellowship**, International Telecommunication Union
- 2005-2008 **National Scholarship**, Government of Benin

^{0*}: presented by co-author, and [†]: accepted but withdrawn

Additional Information

Programming R, MATLAB, STATA, Python, SPSS
Languages English (Fluent), French (Native), Spanish (Intermediate)
Citizenship Benin (Citizen), Canada (Permanent Resident)

Community and Social Leadership

2025/09 - **Governing Board Member**, Ecole Judith-Jasmin, CSSDM, Montreal, Canada
2023/09 - 2025/08 **Chairperson of the Governing Board**, Ecole Notre-Dame-des-Neiges, CSSDM, Montreal, Canada
2022/09 - 2025/08 **Governing Board Member**, Ecole Notre-Dame-des-Neiges, CSSDM, Montreal, Canada
2021/12 - **Member**, Quebec PhD workshops in Economics, Statistics, and Finance, Canada
2017/09 - 2018/08 **Student Life Coordinator**, Collegio Major Pedralbes, Barcelona, Spain
2016/01 - 2017/05 **Project Coordinator**, Yaouré Cultural Center, Yamoussoukro, Côte d'Ivoire
2012/01 - 2017/05 **Student Empowerment & Community Development Leader**, Comoé Cultural Center, Abidjan, Cote d'Ivoire
2011/12 - 2012/06 **Election Coordinator**, ENSEA Student Association, Abidjan, Cote d'Ivoire
2007/09 - 2008/09 **General Secretary**, Association des Etudiants Statisticiens du Bénin, Benin