

Long Title

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Long Affiliation

- **Question:** What?
- **Approach:** How?
- **Main Result:** We find this.
- **Application:** Our finding has implications for this.

- Let this be ...

- 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.
e.g., Palhares (2012), Giglio, Maggiori, Stroebe (2015); Binsbergen, Koijen (2017); Gormsen, Lazarus (2019)
- Examining macroeconomic models through the lens of asset pricing. Growth expectations and dividend futures prices.
Borovička, Hansen (2014); Gormsen, Koijen (2020)

Stylized Facts

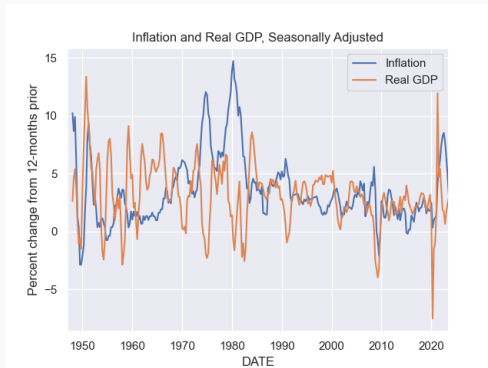
- This is in the data...
- That...

Model

- Consider a model in which...

Stylized Facts

Figure 1Example plot



Traditional calibration...

Appendix

Proposition 7 (cont.)

- This and that