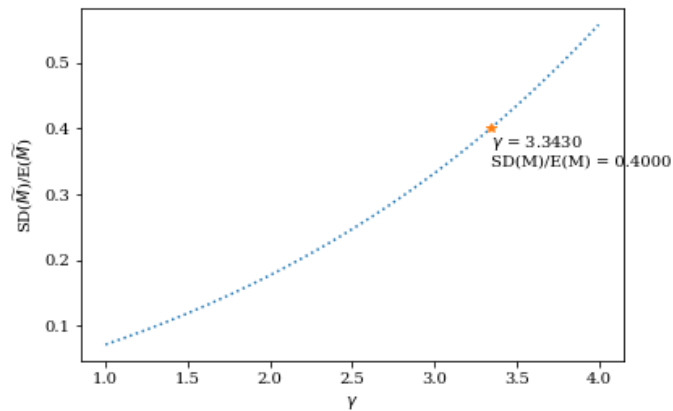


# Multi-Period Asset Pricing

Xia Xicheng

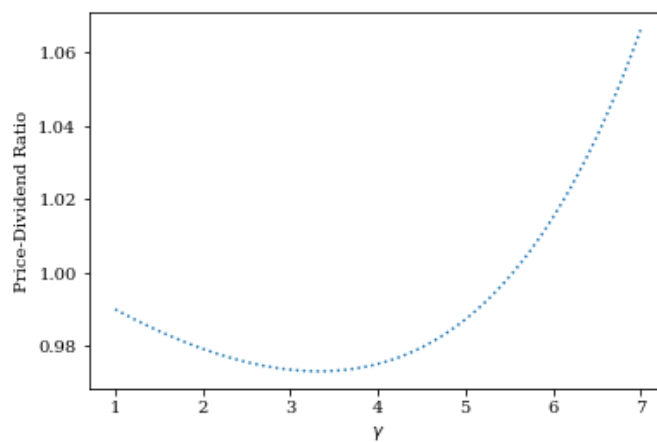
Nov 16th 2018

## 1 Hansen–Jagannathan Bound



- The ratio of the standard deviation of a stochastic discount factor ( $\tilde{M}$ ) to its mean exceeds the Sharpe Ratio attained by any portfolio.
- The higher the  $\gamma$  is, the more the investor risk averse, the lower variance they require for the same asset return.
- For those who have a risk averse level of 3.3430, the sharpe ratio requirement for their investment is 0.4

## 2 Price-Dividend Ratio



### 3 Equity Premium

