Hormoz Ramian

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Education

Finance, Ph.D., Imperial College London (Expected 2020)
Finance, MRes. (Distinction, Dean's List), Imperial College London
Financial Economics, MSc., University of Manchester
Economics, BSc., National University, Iran

Research Interests

Asset Pricing, Macro-Finance, Banking and Financial Regulation

Research Experience

Optimal Financial Regulation (Job Market Paper)
Abstract: The relationship between financial regulatory and monetary policies has welfare implications. Strained credit flow due to oversized voluntary reserves of the banking system prompted the policymaker to lower interest-on-excess-reserves (IOER). In general equilibrium, falling IOER is accompanied by a proportional fall in deposit rate only when IOER is above zero bound. This leads to a faster fall in bank interest expenses than its interest incomes. Given any lending level, lower net interest expenses enhances bank solvency. Nonetheless, risk-weighted capital constraint remains unrelaxed and hence becomes socially costly. I show that an integrated policy that achieves welfare gains is characterized by positively correlated levers that expand credit flow, while bank failure likelihood remains constant. Conversely, when IOER is very low or possibly negative, falling IOER is associated with a nonresponsive deposit rate leading to (i) a growing net interest expenses and (ii) a stricter capital requirement that is negatively correlated with IOER.

Financial Regulation and Wealth Distribution (Research in Progress)
Abstract: Financial regulation provides welfare gains to the society, at the expense of exacerbated wealth distribution. I show that when capital markets are segmented, financial regulation leads to a transfer of wealth from depositors to equity investors. An integrated monetary and financial regulatory policies achieves welfare gains due to a credit flow expansion to the real sector, while default likelihood within the banking sector remains fixed. Nonetheless, this constrained equilibrium allocation is associated with lower deposit rate while dividends increase, leading to a wealth transfer across market segments. I provide sufficient conditions under which optimal financial regulation leads to welfare gains without exacerbating wealth heterogeneity.

Paradox of Risk-Aversion (Research in Progress)
Abstract: Financial regulation provides welfare gains to the society, at the expense of exacerbated wealth distribution. I show that when capital markets are segmented, financial regulation leads to a transfer of wealth from depositors to equity investors. An integrated monetary and financial regulatory policies achieves welfare gains due to a credit flow expansion to the real sector, while default likelihood within the banking sector remains fixed. Nonetheless, this constrained equilibrium allocation is associated with lower deposit rate while dividends increase, leading to a wealth transfer across market segments. I provide sufficient conditions under which optimal financial regulation leads to welfare gains without exacerbating wealth heterogeneity.

Optimal Deposit Insurance Financing: The Trilemma (Research in Progress)

Abstract: Financial regulation provides welfare gains to the society, at the expense of exacerbated wealth distribution. I show that when capital markets are segmented, financial regulation leads to a transfer of wealth from depositors to equity investors. An integrated monetary and financial regulatory policies achieves welfare gains due to a credit flow expansion to the real sector, while default likelihood within the banking sector remains fixed. Nonetheless, this constrained equilibrium allocation is associated with lower deposit rate while dividends increase, leading to a wealth transfer across market segments. I provide sufficient conditions under which optimal financial regulation leads to welfare gains without exacerbating wealth heterogeneity.

Bank Endogenous Risk Attitude (Research in Progress)

Abstract: Financial regulation provides welfare gains to the society, at the expense of exacerbated wealth distribution. I show that when capital markets are segmented, financial regulation leads to a transfer of wealth from depositors to equity investors. An integrated monetary and financial regulatory policies achieves welfare gains due to a credit flow expansion to the real sector, while default likelihood within the banking sector remains fixed. Nonetheless, this constrained equilibrium allocation is associated with lower deposit rate while dividends increase, leading to a wealth transfer across market segments. I provide sufficient conditions under which optimal financial regulation leads to welfare gains without exacerbating wealth heterogeneity.

Awards and Scholarships

Winner, Imperial College London Best Graduate Teaching Award	2018
Presidential Scholarship, Imperial College London	2016–2019
Best Graduate Teaching Assistant Nomination	2018, 2019
Dean's List Award, Imperial College, Business School	2016
ORS Scholarship, University of Manchester	2011

Teaching Experience

Co-instructor, Imperial College London

Econometrics 1 (PhD, 4.80, 4.98/5.0)	2017–19

Teaching Assistant, Imperial College London

Macro-Finance (MSc Finance, 4.33/5.0)	2018, 19
Macroeconomics (MSc Finance 4.38/5.0)	2018, 19
Empirical Finance (MSc Financial Engineering, 4.64/5.0)	2019
Financial Statistics (MSc Financial Engineering, 4.88/5.0)	2017, 18
Machine Learning & Applied Statistics	
Introduction to Finance (MBA, Executive MBA)	2017-19

Advising

Research Supervisor, Student Investment Fund, Imperial College London	2018–19

Workshops

Trading Simulation: Bid-Ask Spread and Private Information

This workshop is intended to familiarize students with optimal execution of bid-ask quotes. Key learning outcomes are: Understand trade-off between posting a narrow spread against absorbing higher market demands in a competitive environment Understand informational give-away included in quotes posted by market participants Infer fundamental asset price to outbid the market.

Behavioural Valuation

Hormoz Ramian (November 2019)

This workshop is intended to familiarize students with optimal execution of bid-ask quotes. Key learning outcomes are: Understand trade-off between posting a narrow spread against absorbing higher market demands in a competitive environment Understand informational give-away included in quotes posted by market participants Infer fundamental asset price to outbid the market.

Software and Computing

Python, R, Matlab, Mathematica, Stata, SAS, Linux, Julia

References

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