Robert J. Richmond

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Research Interests

International Finance, Asset Pricing, Macroeconomics

Academic Positions

Assistant Professor of Finance, New York University, Stern School of Business, 2016 - Present

Other Affiliations

Invited Member, Macro Finance Society, 2017 – Present

Education

Ph.D. Finance, UCLA Anderson School, June 2016
Visiting Ph.D. Student, Chicago Booth School of Business, Spring 2015
B.S. Applied Mathematics, University of Colorado, 2011, *Magna Cum Laude*

Research Papers

Trade Network Centrality and Currency Risk Premia

Journal of Finance, *Revise and Resubmit*

I uncover an economic source of exposure to global risk that drives international asset prices. Countries which are more central in the global trade network have lower interest rates and currency risk premia. As a result, an investment strategy that is long in currencies of peripheral countries and short in currencies of central countries explains the unconditional returns to the carry trade. To explain these findings, I present a general equilibrium model where central countries' consumption growth is more exposed to global consumption growth shocks. This causes the currencies of central countries to appreciate in bad times, resulting in lower interest rates and currency risk premia. In the data, central countries' consumption growth is more correlated with world consumption growth than peripheral countries', further validating the proposed mechanism.

Gravity in FX R-Squared: Understanding the Factor Structure in Exchange Rates, *with Hanno Lustig*

We relate the risk characteristics of currencies to measures of physical, cultural, and institutional distance. The currencies of countries which are more distant from other countries are more exposed to systematic currency risk. This is due to a gravity effect in the factor structure of bilateral exchange rates: When a currency appreciates against a basket of other currencies, its bilateral exchange rate appreciates more against the currencies of distant countries. As a result, currencies of peripheral countries are more exposed to the systematic variation than currencies of central countries. Trade network centrality is the best predictor of a currency's average exposure to systematic risk.

Research in Progress

Capital Longevity and Asset Prices, *with Patrick Kiefer*

Presentations (Including Scheduled)

Trade Network Centrality and Currency Risk Premia

2016: Stanford Institute for Theoretical Economics, WFA, Annual Conference on International Finance, Chicago Booth, Northwestern Kellogg, UT Austin, MIT Sloan, Boston College, NYU Stern, Carnegie Mellon, London Business School, Imperial College London, University of Utah

2015: Twelfth Annual Conference on Corporate Finance at Olin School of Business, University of Colorado at Boulder, Chicago Economics Dynamics Working Group, Chicago Finance Brown Bag

2014: UCLA Anderson Finance Brown Bag

Gravity in FX R^2: Understanding the Factor Structure in Exchange Rates

2017 Annual Conference on International Finance, Central Bank Research Conference (NBER Sponsored), Midwest Finance Association, NBER SI International Finance and Macroeconomics, NBER SI Macroeconomics within and Across Borders, CEBRA Bank of Canada Conference, INSEAD, Ohio State University, Unversity of Melbourne, Financial Research Network Asset Pricing,

2016 Chicago Booth International Macro-Finance Conference

Teaching

NYU Stern School of Business

Instructor

Foundations of Finance (Spring 2017)

UCLA Anderson School of Management

Instructor

MFE R/MATLAB Programming Workshop (Fall 2013, 2014, 2015)

Teaching Assistant

MFE Emprical Asset Pricing, Professor Hanno Lustig (Winter 2013, 2014)

MFE Quantitative Asset Management, Professor Jason Hsu (Spring 2014)

MBA Private Equity and Venture Capital, Professor Mark Garmaise (Winter 2012)

MFE Corporate Finance, Professor Mark Garmaise (Winter 2012)

University of Colorado at Boulder

Course Assistant

MS/BS Mathematical Statistics (Spring 2010)

MS/BS Statistical Computing (Fall 2010)

Honors, Awards, and Fellowships

Annual Conference on International Finance Best Paper Award (2016)

Cubist Systematic Strategies Ph.D. Candidate Award for Outstanding Research (2016)

Xavier Drèze award for most outstanding Ph.D. research paper (2016)

Best Finance Ph.D. Dissertation Award in Honor of Professor Stuart I. Greenbaum, Olin Business School (2015)

UCLA Dissertation Year Fellowship (2015-2016)

UCLA Anderson Fellowship (2011-2015)

AFA Student Travel Grant (2015)

NSF grant for Undergraduate Mathematics research (2009-2011)

Participant in UC Berkeley Summer Explorations in Statistics Research (2010)

Discussions

M. Dahlquist and J. Penasse: *The Missing Risk Premium In Exchange Rates.* Western Finance Association (2017).

Z. He, B. Kelly, A. Manela: *Itermediary Asset Pricing: New Evidence from Many Asset Classes.* American Finance Association (2017)

M. Boons and M. Prado: *Basis-momentum in the Futures Curve and Volatility Risk.* European Financial Association (2016)

F. Gourio, M. Siemer, and A. Verdelhan: *Uncertainty and International Capital Flows.* NYU Stern Volatility Institute (2016)

Professional Service

Referee

Review of Financial Studies, Journal of International Economics, Journal of Financial and Quantitative Analysis, Journal of Financial Econometrics, Journal of Banking and Finance, Journal of Economics and Business, Journal of Empirical Finance

Program Committee

Colorado Finance Summit (2016)

Computing

R, MATLAB, Python, C++, Mathematica, Stata