SIMON N. M. SCHMICKLER

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EDUCATION

Princeton University *2021*
Ph.D. in Economics
Advisor: Motohiro Yogo

Princeton University *2017*
M.A. in Economics

University of Bonn, Germany *2015*
B.Sc. in Economics
Rank: 1/378

RESEARCH AREAS

Primary Field: Empirical Asset Pricing
Secondary Field: Machine Learning, Fintech, Industrial Organization

WORKS IN PROGRESS

Asset Fire Sales or Assets on Fire?

· Using high frequency data and machine learning methods, I propose a new method to isolate a plausibly exogenous component of mutual fund flows and use it as an instrument to revisit classic empirical questions in Finance because previous methods are vulnerable to a reverse causality critique.

Machine Learning Institutional Trading and Return Predictability

· How can we leverage the predictive power of Machine Learning to estimate the cross-section of expected stock returns without losing all economic intuition in a black box? In fact, can we increase predictive performance by imposing economic structure?
I combine Machine Learning with the mutual fund demand pressure literature to infer expected returns from portfolio holdings of financial institutions. Instead of predicting returns directly, I train neural nets to predict how institutions trade. Then, I construct expected returns as the product of expected excess demand and the inverse aggregate demand elasticity. First, neural nets outperform simple models out-of-sample. In particular, they excel at predicting hedge fund and mutual fund fire sales. Second, my measure of expected returns, ER, is a strong predictor of returns. ER also absorbs anomalies related to liquidity and trading. Third, a long-short trading strategy using ER-sorted portfolios returns an annual alpha of 15%.

Demand System Asset Pricing and Monetary Policy

· I use demand system asset pricing techniques and big, proprietary securities holdings microdata to build a new tool for monetary policy analysis. I show that the spillovers from central bank purchases to other assets are local because they depend on the co-occurrence of portfolio holdings.

High-Frequency Trading and Fundamental Price Efficiency
(with J. Gider and C. Westheide)

· We study the impact of HFT on fundamental price efficiency, a measure which captures how well current stock market valuations predict future earnings. We estimate the effect by exploiting the staggered start of HFT in a panel of international exchanges and find a negative impact.

TEACHING EXPERIENCE

Money & Banking (ECO342) with Markus Brunnermeier

Corporate Restructuring (FIN519) with O. Griffith Sexton

Junior Independent Work with Will Dobbie, Christopher Neilson and Adrien Matray

PROFESSIONAL EXPERIENCE

Bundesbank (German Central Bank) *Summer 2017 & 2018*
Visiting Reasearcher

EY Germany *2014*
Advisory Intern

Airbus Group, Eurocopter UK *2013*
Intern

HONORS AND AWARDS

Griswold Center for Economic Policy Studies Fellowship *2019 - 2020*

Princeton University Graduate Fellowship *2015 - 2021*

German National Academic Foundation Scholarship *2015 - 2017*

Cusanuswerk Foundation Scholarship *2013 - 2014*

University of Bonn Exchange Program Stipend *2013 - 2014*

Konrad Adenauer Foundation Scholarship *2012 - 2015*

SKILLS

Software Python, Stata, Matlab, LaTeX
Blockchain analysis (BlockSci), Machine Learning (Tensorflow)

Languages English, German, French (Proficient), Latin (Translation)

OTHER ACTIVITIES

Peace Hill Senior High School in Koforidua, Ghana *2011 - 2012*
German Red Cross Computer Science teacher for one semester

Scuba Diving, Kiteboarding, Rock Climbing, Golf, Traveling