SIMON N. M. SCHMICKLER

SimonSchmickler.com

Simon.Schmickler@princeton.edu

(609) 933-2898

PRINCETON UNIVERSITY

Placement Director:	Gianluca Violante	violante@princeton.edu	(609) 258-4003
Graduate Administrator:	Laura Hedden	lhedden@princeton.edu	(609) 258-4006

Office Contact Information

Department of Economics & Bendheim Center for Finance, Princeton University
Julis Romo Rabinowitz Building
Princeton, NJ 08544

Graduate Studies

Princeton University, 2015 to present
Ph.D. Candidate in Economics
Thesis Title: "Essays in Empirical Asset Pricing"
Expected Completion Date: June 2022

Princeton University, M.A., Economics, 2017

References

Professor Motohiro Yogo
Department of Economics
Bendheim Center for Finance
Princeton University
(609) 258-4467, myogo@princeton.edu

Professor Markus Brunnermeier
Department of Economics
Bendheim Center for Finance
Princeton University
markus@princeton.edu

Professor Wei Xiong
Department of Economics
Bendheim Center for Finance
Princeton University
(609) 258-0282, wxiong@princeton.edu

Undergraduate Studies

University of Bonn, B.S., Economics, 2015
Summa Cum Laude, Rank: 1/378

Research & Teaching Fields

Primary Field: Finance, Empirical Asset Pricing
Secondary Fields: Market Microstructure, Applied Machine Learning

Teaching Experience

Princeton University, Teaching Assistant

Fall 2017	ECO342, Money & Banking, with Professor Markus Brunnermeier
Fall 2017, 2018, 2019	ECO464/FIN519, Corporate Restructuring, with Professor O. Griffith Sexton

Princeton University, Advisor for Undergraduate Research

2017 to present	Junior Independent Work, advisor for undergraduate research, with Professors Will Dobbie, Christopher Neilson, and Adrien Matray

University of Bonn, Undergraduate Teaching Assistant

Spring 2013	Corporate Finance, with Professor Hendrik Hakenes

German Red Cross, High School Teacher, Koforidua, Ghana

Fall 2011	Computer Science, International Youth Voluntary Service Program (IJFD)

Research Experience & Other Employment

Summer 2018	Ph.D. Research Intern at Bundesbank (German Central Bank)
Summer 2017	Visiting Researcher at Bundesbank
Summer 2013	Consulting Intern at Ernst & Young (EY), Germany

Professional Activities

Referee for Econometrica, The Review of Economic Studies

Honors & Awards

2019 - 2020	Griswold Center for Economic Policy Studies Fellowship
2015 - 2021	Princeton University Graduate Fellowship
2015 - 2017	German National Academic Foundation Fellowship
2013 - 2014	Cusanuswerk Foundation Fellowship
2013 - 2014	University of Bonn Exchange Program Scholarship
2012 - 2015	Konrad Adenauer Foundation Fellowship

Research Papers

"Interacting Anomalies," with K. Müller, more results and data on the project website
An extensive literature studies interactions of stock market anomalies using double-sorted portfolios. But given hundreds of known candidate anomalies, examining selected interactions is subject to a data mining critique. In this paper, we conduct a comprehensive analysis of all possible double-sorted portfolios constructed from 102 underlying anomalies. We find hundreds of statistically significant anomaly interactions, even after accounting for multiple hypothesis testing. An out-of-sample trading strategy that invests in the top backward-looking double-sort strategy generates equal-weighted (value-weighted) monthly average returns of 4% (2.7%) at an annualized Sharpe ratio of 2 (1.38), on par with state-of-the-art anomaly-based machine learning strategies.

"HFT and Price Informativeness," with J. Gider and C. Westheide
We study how the informativeness of stock prices changes with the presence of high-frequency trading (HFT). Our estimate is based on the staggered start of HFT participation in a panel of international exchanges. With HFT presence, market prices are a less reliable predictor of future cash flows and investment, even more so for longer horizons. Further, firm-level idiosyncratic volatility decreases, and the holdings and trades by institutional investors deviate less from the market-capitalization weighted portfolio as a benchmark. Our results document that the informativeness of prices decreases subsequent to the start of HFT. These findings are consistent with theoretical models of HFTs ability to anticipate informed order flow, resulting in decreased incentives to acquire fundamental information.

"Identifying the Price Impact of Fire Sales Using High-Frequency Surprise Mutual Fund Flows"
This paper proposes a new method to isolate a plausibly exogenous component of mutual fund flows to estimate the price impact of fire sales. The method addresses a potential reverse causality problem: instead of mutual fund outflows inducing fire sales, which drive down prices, poor stock returns reduce mutual fund returns, which in turn trigger outflows. The solution is to construct a new instrument from high-frequency surprise flows. Using surprise flows to reexamine important findings in the literature, I find equity markets are deeper and less distortive than suggested.

"Payout-Induced Trading, Asset Demand Elasticities, and Market Feedback Effects"
This paper uses the reinvestment of corporate payouts by financial institutions as a nonfundamental shock to asset prices to estimate the slope of the demand curve for stocks and the real effects of stock returns on corporate financing and investment. Exploiting the separation of announcement and payment at the daily frequency, I find dividends in particular generate payment date price pressure but no announcement date news spillover effects, suggesting that dividend-induced trading is plausibly exogenous to fundamentals. Using dividend-induced trading as a natural experiment for stock returns, I estimate an asset demand elasticity of 1.25 and document a releveraging market feedback effect on investment, where firms respond to an exogenous stock price increase by issuing debt and use the funds to invest.

Research Papers in Progress

"Cryptocurrencies, Return Chasing, and Return Predictability," with S. Nagel and Z. Wang
We combine the full information from the BTC blockchain with addresses of real entities and address clustering algorithms to construct a partially deanonymized BTC transaction history. We find that unsophisticated investors chase past BTC returns and that BTC purchases of sophisticated investors predict BTC returns.

"Machine Learning Institutional Trading and Return Predictability"
I train machine learning models to predict how financial institutions trade and use the predictions to construct expected excess demand. A long-short, front-running trading strategy exploiting this signal generates significant excess returns.

Skills & Interests

Software	Python, Stata, LaTeX, Machine Learning (Tensorflow, Scikit-learn), Blockchain analysis (BlockSci)
Languages	German (Native), French (Proficient)
Interests	Scuba Diving, Rock Climbing, Kiteboarding, Golf, Soccer, Virtual Reality, Traveling

Updated October 2020