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PRINCETON UNIVERSITY

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Office Contact Information

Department of Economics, Princeton University
Julis Romo Rabinowitz Building
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Graduate Studies

Princeton University, 2015 to present
Ph.D. Candidate in Economics
Thesis Title: “Essays in Empirical Asset Pricing”
Expected Completion Date: June 2021

M.A. Economics, Princeton University, 2017

References

Professor Motohiro Yogo
Department of Economics
Bendheim Center for Finance
Princeton University
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Professor Markus Brunnermeier
Department of Economics
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Professor Wei Xiong
Department of Economics
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Undergraduate Studies

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

Teaching and Research Fields

Primary Field: Finance, Asset Pricing
Secondary Field: Machine Learning, Fintech, Corporate Finance

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

Research Experience and Other Employment

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

Professional Activities

Referee for *Econometrica*, *The Review of Economic Studies*

Honors and 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

Job Market Paper

"Payout-Induced Trading," 2020

This paper shows that firm payouts generate price pressure and market feedback spillover effects on other firms held in the same portfolios of financial institutions. When firms pay dividends, repurchase shares, or are acquired, institutional shareholders preferentially invest the cash proceeds into their existing portfolio - *payout-induced trading* - driving up asset prices of connected stocks. Using payout-induced trading as an instrument for stock returns, I estimate a high-frequency asset demand elasticity of one and identify large market feedback effects on investment.

Research Papers

"Identifying the Price Impact of Fire Sales Using High-Frequency Surprise Mutual Fund Flows," 2020

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.

“Interacting Anomalies,” with K. Müller, 2020, 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 based on double-sorted portfolios performs on par with state-of-the-art machine learning strategies, suggesting that simple combinations of characteristics can capture a similar amount of variation in expected returns.

“HFT and Price Informativeness,” with J. Gider and C. Westheide, 2019
 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.

Research Papers in Progress

“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 economic intuition in a black box? I combine machine learning with the 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. A long-short trading strategy exploiting this signal returns significant excess returns.

Skills

Software	Python, Stata, L ^A T _E X
	Machine Learning (Tensorflow, Scikit-learn), Blockchain analysis (BlockSci)
Languages	English, German, French (Proficient), Latin (Translation)

Other Activities

Voluntary work with the German Red Cross as computer science teacher in Koforidua, Ghana, September 2011 - March 2012
 Scuba Diving, Kiteboarding, Rock Climbing, Golf, Traveling