

Terri van der Zwan

Erasmus University Rotterdam
Erasmus School of Economics, Econometric Institute; Tinbergen Institute

Update: August 2023

Email address: t.vanderzwan@ese.eur.nl

Personal website: <https://sites.google.com/view/terrivanderzwan/about>

Research interests: financial econometrics, time series econometrics, asset pricing, empirical macroeconomics, and machine learning methods.

Education

Erasmus University Rotterdam

Ph.D. candidate in Financial Econometrics

Sept. 2019 – Present
Rotterdam, The Netherlands

Job market paper: “Multiple Shock Impulse Response Functions”.

Academic advisors: Prof. Dr. Michel van der Wel and Prof. Dr. Erik Kole.

University of California San Diego

Research visit

Sept. 2022 – Dec. 2022
San Diego, CA, United States

Funded by a **Fulbright Award**, hosted by Prof. Dr. Allan Timmermann.

Project: “Machine Learning in Equity Premium Prediction”, with Prof. Dr. Allan Timmermann and Yanki Kalfa.

Erasmus University Rotterdam

M.Sc. Econometrics and Management Science

Sept. 2016 – Feb. 2018
Rotterdam, The Netherlands

Cum laude distinction, Majoring in Quantitative Finance, GPA: 8.4/10.

Thesis: “Macro or Fundamental? Comparing the Drivers of Equity Returns” (Graded: 9.2/10).

Erasmus University Rotterdam

B.Sc. Econometrics and Operations Research

Sept. 2013 – Aug. 2016
Rotterdam, The Netherlands

Majoring in Quantitative Finance, GPA: 7.7/10.

Thesis: “Macroeconomic, Demographic, and Geographic Factors Impacting Mortgage Credit Risk” (Graded: 8.5/10).

Research

Job market paper: Multiple Shock Impulse Response Functions

Van der Zwan, T.

This paper introduces the multiple shock impulse response function, a tool to investigate the effects of simultaneous shocks within one period. The concept generalizes individual shock impulse response functions, accounts for the dependence between shocks, and is particularly useful when contemporaneous relations are ambiguous. It is applicable to various multivariate time series models. Simulation studies underscore its necessity for accurately interpreting the total effect of simultaneous shocks and mitigating potential temporal aggregation issues, as summing individual responses can lead to over- or underestimation of the total effect. We further illustrate the relevance by assessing a monetary policy shock alongside uncertainty shocks in lower credit rating countries in the Euro area during the European debt crisis. We find that the interaction between the shocks amplify the effects compared to a monetary policy shock alone, and that multiple shock impulse response functions are necessary as simply summing individual impulse responses result in significantly different responses.

Winner Ph.D. Paper Competition of the European Central Bank Conference on Forecasting Techniques (2023)

Heterogeneous Macro and Financial Effects of ECB Asset Purchase Programs

jointly with Erik Kole and Michel van der Wel (2023) – Tinbergen Institute Discussion Paper 2021-109/III

Central banks resorted to asset purchase programs to replace conventional policy measures, which became ineffective

after interest rates approached the effective lower bound. We investigate their effects on financial markets and focus on heterogeneous transmission using a Bayesian structural vector autoregression analysis. Since financial markets react directly to policy announcements, we base our identification scheme on market surprises at the announcement time. We find evidence of a stimulating effect on the economy, declining government bond yields, increasing stock prices, increasing value-growth spread and a reduction in stress in corporate and sovereign debt markets after an asset purchase shock. We disentangle the effect among industry sectors and EMU countries and find that the effect is heterogeneous, with financial stocks and the economy of Southern Euro area countries being the most positively affected.

Honorable mention at the Early-Career Scholars Conference of the Society for Financial Econometrics (2022)

Equity Risk Factors for the Long and Short Run: Pricing and Performance at Different Frequencies

jointly with Erik Hennink and Patrick Tuijp (2023) – Tinbergen Institute Discussion Paper 2021-062/III

This paper introduces a general linear multifactor asset pricing methodology that integrates systematic risk measured at different frequencies into a single pricing equation. Our setup allows investors with different investment horizons to experience varying levels of systematic risk, potentially due to delayed stock price reactions to systematic factor news. We find that the outperformance of Fama-French factors compared to macroeconomic factors in the cross-sectional fit of expected returns disappears when accounting for these horizon effects. The results show that different factors are priced at different horizons and that optimal portfolio compositions are horizon-dependent.

Presentations

Invited talks: Fall Macro Seminar of University of Houston, November 14, 2022.

International conferences and seminars, poster session marked with *.

2023 *12th European Central Bank Conference on Forecasting Techniques**, Frankfurt, Germany
*AFA Annual meeting (AFA)**, New Orleans, Louisiana, US

2022 *Midwest Econometrics Group 2022 Conference*, Lansing, Michigan, US
Seminar at Rady School of Management, San Diego, California, US
Annual Congress of the European Economic Association (EEA-ESEM), Milan, Italy
Annual Meeting of the Society for Financial Econometrics (SoFiE),
Young Scholar Post-Conference, Cambridge, UK
8th Annual Conference of the International Association of Applied Econometrics (IAAE), London, UK
4th International Conference Quantitative Finance and Financial Econometrics (QFFE), Marseilles, France
Annual Society of Non-linear Dynamics Symposium (SNDE), hosted online
Econometric Institute PhD conference, Rotterdam

2021 *8th Annual Conference of the International Association for Applied Econometrics (IAAE)*, hosted online
European Meeting of the Econometric Society (EEA-ESEM), ESEM part, hosted online
ESE Female Network Event of Erasmus University Rotterdam, hosted online
Econometric Institute seminar, hosted online

2018-2021 *11th Financial Risks International Forum of the Louis Bachelier Institute*, Paris, France
2nd International Conference on Econometrics and Statistics (EcoSta), Hong Kong
Netspar International Pension workshop, Leiden
Finance seminar University of Amsterdam, Amsterdam
ERIM Seminar, Rotterdam

Professional Experience

ABN AMRO Bank

Jan. 2018 – June 2018

Global Markets Intern (27 hrs/wk) – C&IB, Trading and Quantitative Analysis dept. Amsterdam, The Netherlands

- Quantitative analyst working with Trading and Quantitative Analysis department to enhance Credit Value Adjustments (CVA) for equity derivatives.
- Came up with a model that exploits industry-specific counterparty risk in Python, adhering to Basel III requirements, resulting in more accurate default risk assessments.
- Analyzed PNL risk sensitivity to counterparty default metrics, and briefed Global Capital Markets stakeholders.

Ortec Finance

Quantitative Research Intern (9 mo. fulltime, 6 mo. 18 hrs/wk)

Apr. 2017 – June 2018
Rotterdam, The Netherlands

- Derived and implemented a spectral framework to identify the drivers of equity returns in factor models on varying investment horizons.
- Methods used: principal component analysis, dynamic factor models. US equity portfolio resulted in -30% volatility over a 10 year horizon.

Awards, Grants and Achievements

Winner Ph.D. Paper Competition of the European Central Bank Conference	2023
Fulbright Doctoral Award (<i>selected by NWO and Fulbright Commission</i>)	2022
SoFiE Early-Career Scholars Prize, runner-up (<i>paper joint with Van der Wel and Kole</i>)	2022
Travel Scholarship Awards (<i>AFA, IAAE, Society of Financial Econometrics; SoFiE</i>)	2022
STOER Trust Fund (<i>funding for summer school and research visit</i>)	2021, 2022
Econometric Game, finalist and team captain (<i>University of Amsterdam, VSAE</i>)	2021
Sino-Dutch Scholarship of NUFFIC's Excellence and Exchange Program	2018

Other Relevant Education

Fudan University <i>Sino-Dutch Advanced Language Scholarship student</i>	July 2018 – Aug. 2019 Shanghai, China
• One year advanced Mandarin Chinese Language and Culture Program.	
Shanghai University of Finance and Economics <i>Exchange student</i>	Aug. 2015 – Dec. 2015 Shanghai, China
• Exchange program, part of the B.Sc. Econometrics and Management Science.	

Teaching

2022: *Seminar in Applied Econometrics* (M.Sc. Econometrics).

Supervising 4 groups of 3-5 students working for 12 weeks on an empirical econometric problem.

2021 – 2022: *Introductory Seminar Case Studies Econometrics and Operations Research* (B.Sc. Econometrics).

Supervising 20+ groups of 3-5 students working for 2 weeks on a financial case.

2019 – present: *Thesis supervision and co-reading* (B.Sc. and M.Sc. Econometrics).

2019 – 2021: *Seminar in Financial Econometrics* (B.Sc. Econometrics).

Supervising 4 groups of 3-5 students working for 8 weeks on an empirical econometric problem

2019 – 2021: *Asset Pricing* (M.Sc. Econometrics/Financial Economics).

2019 – 2020: *Academic Skills* (B.Sc. Econometrics).

2016 – 2017: *Teaching assistant Mathematics 2* (B.Sc. Economics and Business Economics).

2016 – 2017: *Teaching assistant Statistics* (B.Sc. Econometrics).

2016 – 2017: *Teaching assistant Operations Management* (B.Sc. International Business Administration).

Proficiencies

Programming Languages and Cloud: Python, Matlab, R, Bash, SQL, Java, SLURM (Debian).

Data Gathering: Eikon/Datastream, Bloomberg, various APIs.

Software: L^AT_EX, MS Office, Adobe Illustrator

Languages: Dutch (native), English (fluent), Mandarin Chinese (B2), German (B2).

Extracurricular activities

Member of the ESE School Council

Sept. 2021 – Aug. 2023

- Elected staff member of the Erasmus School of Economics School Council.

13th Board Chinese Student Association EUR

July 2016 – Aug. 2017

Board Member, Internal Relations Manager and Head of Cultural Events (16 hrs/wk)

- Managed 35 active members, secured funding, and executed events on a limited budget.
- Founded the Cultural Events committee (5 members), organized 8 events + a city trip for 40 students.

References

Prof. Dr. Michel van der Wel. (*Email: vanderwel@ese.eur.nl*).

Professor Econometrics of Macro-Finance and Vice Dean of Education at the Econometric Institute, Erasmus School of Economics, Erasmus University Rotterdam.

Prof. Dr. Robin Lumsdaine. (*Email: robin.lumsdaine@american.edu*).

Crown Prince of Bahrain Chair in International Finance at Kogod School of Business, American University
Professor of Applied Econometrics at Erasmus University Rotterdam.

Prof. Dr. Allan Timmermann. (*Email: atimmermann@ucsd.edu*).

Distinguished Professor of Finance at University of California, San Diego.
Dr. Harry M. Markowitz Endowed Chair in Finance and Investing.

Dr. Erik Kole. (*Email: kole@ese.eur.nl*).

Assistant Professor at the Econometric Institute, Erasmus School of Economics, Erasmus University Rotterdam.