

Hanno Lustig

The Mizuho Financial Group Professor of Finance
Stanford Graduate School of Business
655 Knight Way
Stanford, Ca 94305
Email: hlustig@stanford.edu
Tel: (310) 871 6532

Research and Teaching Interests:

Asset Pricing, Macroeconomics and International Finance

Professional Experience

- Professor (2015-) Stanford Graduate School of Business
 - Professor (2013-2015) Anderson School of Management, UCLA
 - Visiting Professor (2012) Berkeley Haas School of Management
 - Research Associate (2010-) NBER EFG and Asset Pricing
 - Associate Professor (2010-) Anderson School of Management, UCLA
 - Assistant Professor (2008-2010) Anderson School of Management, UCLA
 - Assistant Professor (2004-2008) Dept. of Economics, UCLA
 - Faculty Research Fellow (2003-2010) NBER EFG and Asset Pricing
 - Assistant Professor (2002-2004) Dept. of Economics, University of Chicago
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- Associate Editor at *Econometrica* (2015-)
 - Associate Editor at *Journal of Finance* (2011-)
 - Associate Editor of *Quantitative Economics* (2009-2013)
 - Associate Editor at *Finance Research Letters* (2010-2013)
 - Founding Board Member of the Macro Finance Society (2012-)
 - Faculty Director of Master in Financial Engineering Program (2013-2015)
 - President of Macro-Finance Society (2014-)
 - Associate Editor at the *Review of Asset Pricing Studies* (2014-)
 - Program Chair SFS Cavalcades (2015-2016)

Peer-Reviewed Published Papers:

“Housing Collateral, Consumption Insurance and Risk Premia: an Empirical Perspective,” with Stijn Van Nieuwerburgh, *Journal of Finance* (2005).

“The Returns on Human Wealth: Good News on Wall Street is Bad News on Main Street,” with Stijn Van Nieuwerburgh, *Review of Financial Studies* (2006).

“The Cross-Section of Foreign Currency Risk Premia and US Consumption Growth Risk,” with Adrien Verdelhan, *American Economic Review* (2007).

“Evaluating Asset Pricing Models with Limited Commitment using Micro Consumption Data,” with Dirk Krueger and Fabrizio Perri, *Journal of the European Economic Association* (2008).

“Fiscal Hedging with Nominal Assets,” with Chris Sleet and Sevin Yeltekin, *Journal of Monetary Economics* (2008).

“The Market Price of Aggregate Risk and the Wealth Distribution,” with YiLi Chien, *Review of Financial Studies* (2010).

“When is Market Incompleteness Irrelevant for the Price of Aggregate Risk (and when is it not)?” with Dirk Krueger, lead article in *Journal of Economic Theory* (2010).

“How Much Does Household Collateral Constraint Regional Risk Sharing?” with Stijn Van Nieuwerburgh, *Review of Economic Dynamics* (2010).

“Technological Change the Growing Inequality in Managerial Dispersion,” with Stijn Van Nieuwerburgh and Chad Syverson, *Journal of Financial Economics* (2011).

“A Multiplier Approach to the Macro Implications of Household Finance,” with YiLi Chien and Harold Cole, *Review of Economic Studies* (2011).

“Common Risk Factors in Currency Markets,” with Nick Roussanov and Adrien Verdelhan, *Review of Financial Studies* (2011).

“Does the US Government Hedge against Expenditure Risk?” with Sevin Yeltekin and Antje Berndt, *American Economic Journal-Macro* (2011).

“Is the Volatility of the Market Price of Risk due to Intermittent Portfolio Rebalancing?” with Hal Cole and Yi-Li Chien, *American Economic Review* (2012).

“Business Cycle Variation in the Risk-Return Trade-off,” with Adrien Verdelhan, *Journal of Monetary Economics* (2012).

“The Wealth-Consumption Ratio,” with Stijn Van Nieuwerburgh and Adrien Verdelhan, *Review of Asset Pricing Studies* (2013).

“Countercyclical Currency Risk Premia,” with Nikolai Roussanov and Adrien Verdelhan, lead article in *Journal of Financial Economics* (2014).

“The TIPS-Treasury Bond Puzzle,” with Matthias Fleckenstein and Francis Longstaff, *Journal of Finance* (2014). (Distinguished Paper Award, Amundi-Smith-Breeden Prize 2014)

“Size Anomalies in Bank Stock Returns,” with Priyank Gandhi, *Journal of Finance* (2015).

“Implications of Heterogeneity in Preferences, Beliefs and Asset Trading Technologies for the Macroeconomy,” with YiLi Chien and Harold Cole, *Review of Economic Dynamics* (2016).

“The Common Factor Structure in Idiosyncratic Volatility: Quantitative Asset Pricing Implications,” with Bernard Herskovic, Bryan Kelly and Stijn Van Nieuwerburgh, *Journal of Financial Economics* (2016).

“Too-Systemic-To-Fail: What Option Markets Imply about Sector-Wide Government Guarantees,” with Bryan Kelly and Stijn Van Nieuwerburgh, *American Economic Review* (2016).

“Are Stocks Real Assets? Sticky Discount Rates in Stock Markets,” with Michael Katz and Lars Nielsen, *Review of Financial Studies* (2016).

“Deflation Risk,” with Matthias Fleckenstein and Francis Longstaff, *Review of Financial Studies* (2016).

“The Cross-section and Time-series of Stock and Bond Returns”, with Ralph Koijen and Stijn Van Nieuwerburgh, *Journal of Monetary Economics* (2017).

“Does Incomplete Spanning Help to Explain Exchange Rates?”, with Adrien Verdelhan, accepted at the *American Economic Review* (2018).

“Capital Share Dynamics when Firms Insure Workers”, with Barney Hartman-Glaeser and Mindy Z. Xiaolan, accepted at the *Journal of Finance* (2018).

“Why are Exchange Rates so Smooth? A Household Finance Explanation,” with YiLi Chien and Kanda Naknoi, accepted at the *Journal of Monetary Economics* (2019).

“The Term Structure of Currency Carry Trade Risk Premia,” with Adrien Verdelhan and Andreas Stathopoulos, accepted at the *American Economic Review* (2019).

“Gravity in the Exchange Rate Factor Structure,” with Robert Richmond, accepted at the *Review of Financial Studies* (2019).

“Equity is Cheap for Large Financial Institutions: The International Evidence,” with Priyank Gandhi and Alberto Plazzi. accepted at *Review of Financial Studies* (2019).

Other Publications

“Investing in Foreign Currency is like Betting on your Intertemporal Marginal Rate of Substitution,” with Adrien Verdelhan, *Journal of the European Economic Association Papers and Proceedings* (2006).

Discussion of “Understanding the Equity premium Puzzle,” by George Constantinides, in *Handbook of the Equity Premium* (2007), edited by R. Mehra, Elsevier.

Discussion of “Optimal Monetary Policy with Collateralized Household Debt and Borrowing Constraints,” in *Monetary Policy and Asset Prices* (2008), edited by John Y. Campbell, University of Chicago Press.

“Consumption Based Asset Pricing Models: Empirical Performance,” with Fatih Guvenen, in *New Palgrave Dictionary of Economics* (2008), Second Edition, edited by Stephen Durlauf and Lawrence Blume, Palgrave Macmillan.

“Consumption Based Asset Pricing Models: Theory,” with Fatih Guvenen, in *New Palgrave Dictionary of Economics* (2008), Second Edition, edited by Stephen Durlauf and Lawrence Blume, Palgrave Macmillan.

Discussion of “Carry Trades and Currency Crashes,” by Markus Brunnermeier, Stefan Nagel and Lasse Pedersen, in *NBER Macro Annual 2008*, edited by Daron Acemoglu, Kenneth Rogoff and Michael Woodford, University of Chicago Press.

“Long Run Risk, the Wealth-Consumption Ratio, and the Temporal Pricing of Risk,” with Ralph S. J. Koijen, Stijn Van Nieuwerburgh and Adrien Verdelhan, *American Economic Review Papers and Proceedings* (2010).

“Exchange Rates in a Stochastic Discount Factor Framework,” *Handbook of Exchange Rates* (2012), edited by Jessica James, Ian W. Marsh, and Lucio Sarno, John Wiley & Sons.

“A European History lesson for Today’s Central Bankers,” *International Journal of Central Banking* (2013), prepared for the 4th IJCB Financial Stability Conference.

Discussion of “Microeconomic Uncertainty, International Trade and Aggregate Fluctuations,” by George Alessandria, Horag Choi, Joseph Kaboski and Virgiliu Midrigan, *Carnegie-Rochester-NYU Conference on Public Policy, Journal of Monetary Economics* (2015).

“Inflation-Indexed Bonds and the Inflation Risk Premium,” with Matthias Fleckenstein and Francis Longstaff, *Handbook of Fixed Income*, edited by Pietro Veronesi (2015), John Wiley & Sons.

“Foreign Safe Asset Demand for U.S. Treasuries and the Dollar,” with Zhengyang Jiang and Arvind Krishnamurthy. *American Economic Review Papers and Proceedings* May 2018.

Honors

- Invited to join the Foundation for the Advancement of Financial Research (2018) and the Stanford Institute for Economic Policy Research (2018).
- The Mizuho Financial Group Professor of Finance (2017)
- Board of Western Finance Association (2017)
- Keynote at 5th Workshop on Financial Determinants of Exchange Rates, Swiss National Bank (2015).
- Distinguished Paper Award, Amundi Smith Breeden Prize 2014 for ‘The Tips-Treasury Bond Puzzle’
- Dean’s Term Chair (2014), UCLA Anderson School of Management
- Glucksman Institute for Research in Securities Markets (NYU) Prize for Best paper (2014)
- Keynote at 1st Annual Conference on Foreign Exchange Markets, Imperial College, 2013.
- JP Morgan Award for the Best Paper on Financial Institutions and Markets, WFA 2012
- Honorable Mention at AQR Insights Award, 2012
- Excellence in Refereeing Award (2010), American Economic Review
- NASDAQ OMX Award for the Best Paper on Asset Pricing, WFA 2010
- Terker Prize in Investments for ‘Common Risk Factors in Currency Markets’ 2010
- NSF Grant for project on “The Returns on Human Capital.” Grant No 0550910 (2006-2007)
- Housing Collateral, Consumption Insurance and Risk Premia: an Empirical Perspective Nominated for 2005 Smith Breeden prize (Journal of Finance)
- NBER member (Economic Fluctuations and Growth and Asset Pricing) (2003)
- Review of Economic Studies Tour (2002): London School of Economics, CEMFI in Madrid, University of Munich and Universite de Paris
- Outstanding Teaching Assistant Award, Department of Economics, Stanford University (2000)
- Best 2nd Year Paper Prize, Department of Economics, Stanford University (1999)
- Willam R. and Sara Hart Kimball Fellow (Stanford Graduate Fellowship), (1998-2002)

- Paul Henri Spaak Fellow of the Fund for Scientific Research Flanders (Aspirant FWO), (1998-2001).
- H. Van Waeyenbergh Hoover Foundation Fellow of the Belgian American Educational Foundation, (1997-1998).

Education

Stanford University

- Ph. D. in Economics, June 2002

Catholic University of Louvain (Belgium)

- Master of Science in Economics (1997), graduated summa cum laude with Congratulations of the Board of Examiners
- Master of Arts in Economics (1995), graduated summa cum laude with Congratulations of the Board of Examiners

UFSIA (University Faculties St-Ignatius Antwerp, Belgium)

- Kandidaat in de Economische Wetenschappen (1993), graduated magna cum laude