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SSRN: http://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=589595

EDUCATION

2006, Ph.D. in Management (Finance), Universidade Nova de Lisboa (NOVA)

2005, Visiting Ph.D., Anderson School of Management-University of California Los Angeles (UCLA)

2002-2003, Visiting Ph.D., INSEAD

1993-1995, Master in Economics (M.Sc.), Universidade Nova de Lisboa

1989-1993, B.Sc. (Licenciatura) in Economics, Universidade Nova de Lisboa

CURRENT POSITION

Assistant Professor of Finance, Bilkent University, Faculty of Business Administration

PREVIOUS POSITIONS

Postdoctoral Fellow, University of Porto, 2007

Visiting Researcher, Central Bank of Portugal (Banco de Portugal), Research Department, 2006

RESEARCH INTERESTS

Asset pricing; Empirical asset pricing; Predictability of returns; Multifactor asset pricing models; Correlation between stock and bond returns; Monetary policy and asset returns; Portfolio choice; GARCH models; Financial econometrics

WORKING PAPERS

1. "Intertemporal CAPM with time-varying risk aversion"; last revised: 2007, under revision
2. "What does the cross-section tell about itself? An asset pricing model with cross-sectional moments"; last revised: 2008, under revision
3. "Intertemporal CAPM with bond risk premia", last revised: 2008, under revision
4. "The FED model and expected asset returns", last revised: 2007, under revision
5. "Monetary policy and the cross-section of stock returns: Small versus large and value versus growth", joint with José Tavares, last revised: 2008, under revision

WORK IN PROGRESS

1. "Conditional or Intertemporal CAPM? Conditioning information and asset pricing anomalies"
2. "A consumption-CAPM model in a monetary economy"
3. "Another look at the predictive role of monetary policy over stock and bond returns"

OTHER RESEARCH

M.Sc. Dissertation: "The exchange rate influence over the domestic Overnight interest rate, in Portugal, during the period 1992-95 - an econometric approach, using the GARCH methodology". Supervisor: Luís Catela Nunes

SEMINAR PRESENTATIONS BY INVITATION

Bilkent University (Economics department), November 2008 (#3)
CEPR Gerzensee, July 2008 (#3)
MAN Investments, February 2008 (#4)
CEPR Gerzensee, July 2007 (#2)
Banco de Portugal, May 2007 (#2)
Barclays Global Investors, San Francisco, February 2007 (#1)
Rouen School of Management, February 2007 (#1)
Bilkent University, February 2007 (#1)
Koc University, January 2007 (#1)
Hong Kong University of Science and Technology, March 2006 (#3)
Norwegian School of Management, February 2006 (#3)

PRESENTATIONS IN CONFERENCES

Financial Management Association International Meeting, Dallas, October 2008 (#1, #5)
Financial Management Association European Meeting, Prague, June 2008 (#5)
Washington Area Finance Association Meeting, Washington D.C., April 2008 (#2, #5)
Financial Management Association International Meeting, Orlando, October 2007 (#4)
European Finance Association Meeting, Ljubljana, August 2007 (#2)
European Meeting of the Econometric Society, Budapest, August 2007 (#2)
Eastern Finance Association Meeting, New Orleans, April 2007 (#1, #4)
Campus for Finance Research Conference, Vallendar-Germany, January 2007 (#1)
Conference on "Return Predictability in the short and long run", Copenhagen, January 2007 (#1)
Paris Finance International Meeting, Paris, December 2006 (#1)
ASSET Annual Meeting, Lisbon, November 2006 (#1)
German Finance Association Meeting, Oestrich-Winkel, October 2006 (#1, #4)
Money, Macro and Finance (MMF) Conference, York, September 2006 (#1)
Portuguese Finance Network International Conference, Porto, July 2006 (#1, #3)
European Financial Management Association Meeting, Madrid, June 2006 (#3)

DISCUSSIONS IN CONFERENCES

Financial Management Association European Meeting, Prague, June 2008
Financial Management Association International Meeting, Orlando, October 2007
Campus for Finance Research Conference, Vallendar-Germany, January 2007

Paris Finance International Meeting, Paris, December 2006
German Finance Association Meeting, Oestrich-Winkel, October 2006
Portuguese Finance Network International Conference, Porto, July 2006

REFEREING

Management Science; Emerging Markets Review

HONORS, FELLOWSHIPS AND AWARDS

Grant, 1st European Job Market in Finance and accounting, 2006
Post-Doc Fellowship, Fundação da Ciência e Tecnologia, 2006
Visiting Researcher Fellowship, Central Bank of Portugal, 2006
Ph.D. Fellowship, Fundação da Ciência e Tecnologia, 2001-2005
Inova Research Fellowship (U. Nova), 2002
M.Sc. Fellowship, Fundação da Ciência e Tecnologia (Portuguese Government), 1993-1994

AFFILIATIONS

American Finance Association; Econometric Society; Society for Financial Studies;
European Finance Association; Financial Management Association

TEACHING EXPERIENCE

Financial Econometrics (M.S and Ph.D.), Bilkent University, 2008-2009
Advanced Seminar in Investments (Ph.D., MAN 645), Bilkent University, 2007-2009
Financial Economics (M.S and Ph.D., MAN 525), Bilkent University, 2007-2009
Investment Analysis I & II (MBA, MBA 524), Bilkent University, 2007-2009
Introductory Economics and Management (Teaching Assistant, B.Sc.), Universidade Nova de Lisboa, 2001-2002

SUMMER SCHOOLS ATTENDED

The foundations of market microstructure (U. Nova), July 2006, Prof. Utpal Bhattacharya (Indiana University)
Industrial Organization (INSEAD), June 2003, Prof. Ariel Pakes (Harvard University)
Monetary Economics (U. Nova), July 2002, Prof. Lawrence Christiano (Northwestern University), Prof. Varadarajan Chari (University of Minnesota)
Asset pricing (U. Nova), September 2001, Prof. Fernando Alvarez (University of Chicago)

WORK EXPERIENCE (NON-ACADEMIC)

Fincor (stock broker firm): Portfolio manager, 1998-1999
Espírito Santo Dealer (stock broker firm): Economist; Financial analyst; Equity Strategist, 1996-1998
ESAF-Espírito Santo Activos Financeiros (asset management firm): Economist; Financial analyst; FX and fixed-income strategist, 1995-1996

ARTICLES IN THE PRESS

Article "Perspectives for the Portuguese Escudo" in financial newspaper "Semanário Económico"

Several articles on financial markets and instruments, on newspaper "Diário de Notícias" (principal daily newspaper in Portugal)

COMPUTER SKILLS

GAUSS, RATS, TSP, E-VIEWS, STATA, MATLAB, C++

Familiar with financial data systems Bloomberg, Reuters, CRSP and Datastream

WORKING PAPERS ABSTRACTS

“Intertemporal CAPM with time-varying risk aversion”

Abstract: A derivation of the ICAPM in a very general framework and previous theoretical work, argue for the relative risk aversion (RRA) coefficient to be both time-varying and countercyclical. The variables that represent proxies for the cyclical component of RRA are the market dividend yield, default spread, smoothed earnings yield and the cyclical components of industrial production and earnings, all being correlated with the business cycle. In addition, the value spread - a proxy for the relative valuation of value stocks versus growth stocks - is included as a determinant of risk aversion. The results show that risk aversion is countercyclical, and the ICAPM with time-varying RRA performs better than the Bad beta good beta model (BBGB) from Campbell and Vuolteenaho (2004). The estimates of the average RRA coefficient seem reasonable and plausible, and the model is able to capture a significant decline in risk-aversion in the 90's, in line with the mounting evidence from academics and practitioners. When compared against alternative factor models - CAPM and Fama-French (1993) three factor model - the scaled ICAPM performs much better than the CAPM, and compares reasonably well against the Fama-French model. A crucial result relies on the fact that the scaled ICAPM models do a good job in pricing both the "extreme" small-growth portfolio and all the book-to-market quintiles, which is mainly due to the presence of the factor related with time-varying risk-aversion. Overall, the results of this paper offer a fundamental explanation - time-varying risk aversion - for the value premium.

“What does the cross-section tell about itself? An asset pricing model with cross-sectional moments”

Abstract: This paper derives and tests a five factor asset pricing model based on second order cross-sectional moments, in addition to the market return and the market earnings yield. The three cross-sectional factors are the cross-sectional variance of stock returns; the cross-sectional variance of stock dividend-to-price ratios; and the cross-sectional covariance between returns and dividend yields. This model can be theoretically justified as an extension from the Intertemporal CAPM, by relaxing the representative investor feature and assuming three types of investor heterogeneity - heterogeneous shocks in wealth; private information sets and heterogeneous "intertemporal risks". The model is denoted as the Generalized ICAPM (GICAPM). The empirical tests show that the Generalized ICAPM is able to price reasonably well the 25 size/book-to-market portfolios, and compares favorably with the Fama and French (1993) model. These results are robust to additional classes of portfolios and different estimation methodologies. Moreover, the GICAPM explains the value premium anomaly.

“Intertemporal CAPM with bond risk premia”

Abstract: By using an identical framework to Campbell (1993) and Campbell and Vuolteenaho (2004), this paper derives and tests an Intertemporal CAPM with three factors: Revisions in future aggregate cash flows (cash flow news), revisions in future aggregate excess stock returns (equity premia news), and revisions in future excess bond returns (bond premia news). The key feature of the three-factor ICAPM (ICAPM3) is the inclusion of a long-term bond in the definition of market wealth, which leads to the presence of a bond premia news factor relative to the two-factor ICAPM from Campbell and Vuolteenaho (2004) (ICAPM2). The cross-sectional test applied to the 25 size/book-to-market and 17 industry portfolios indicates that the three-factor ICAPM significantly improves the fit of ICAPM2 in pricing the cross-section of expected returns, in two alternative specifications, including or excluding the zero-beta rate. Moreover, the three-factor ICAPM also outperforms the Fama-French three-factor model over the two classes of portfolios. The three-factor ICAPM can also explain the value-premium anomaly, which is almost entirely due to the presence of the bond premia news factor. Overall, these results show the importance of expanding the traditional measures of financial wealth by incorporating bonds, a practice that has been neglected in the empirical asset pricing literature for long.

“The FED model and expected asset returns”

Abstract: The focus of this paper is on the predictive role of the stock-bond yield gap - the difference between the market earnings yield and the ten-year Treasury bond yield - also known as the FED model, and which can be interpreted as a long-term yield or return spread of equities relative to bonds.

Conditional on other forecasting variables, the yield gap forecasts positive excess market returns, both at short and long forecasting horizons, and for both value and equal-weighted indexes. On the other hand, the yield gap forecasts negative excess returns for bonds, at both short and long horizons. These findings go in line with the predictions from a dynamic accounting identity. By performing an out-of-sample analysis, the results show that the yield gap has reasonable out-of-sample predictability over both stock market and long-term bond returns, when the comparison is made against both a simple historical average and an autoregressive specification. Furthermore, the yield gap proxies have greater out-of-sample predictability power than alternative forecasting variables. An investment strategy based on the forecasting ability of the yield gap produces higher Sharpe ratios than passive strategies in both the market index and long-term bond, and in addition, the certainty equivalent estimates are in general positive.

“Monetary policy and the cross-section of stock returns: Small versus large and value versus growth”

Abstract: This paper analyzes the effects of monetary policy shocks over the cross-section of equity returns, differentiating between small and large stocks and value versus growth stocks. Using three different proxies for monetary policy, our results document a contemporaneous impact of changes in the Federal Funds rate that is significantly larger for the returns of small stocks relative to large stocks, and for value stocks relative to growth stocks. In addition, we find that the dispersion in the responses to monetary shocks is mostly explained by the effects on portfolio cash flow news, rather than portfolio discount rate news. We document the dispersion of the impact of monetary shocks on industry returns, with industries that experience stronger responses generally tilted toward smaller firms and value firms.