

# Erik Hjalmarsson

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## Contact Information

University of Gothenburg  
Department of Economics  
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## Personal Information

Date of Birth: Sep 27, 1975  
Citizenship: Sweden  
Marital Status: Married (2 children)

## Education

- Ph.D. (2005), Department of Economics, Yale University  
Dissertation Title: Panel Data Tests of Return Models with Applications to Global Stock Returns  
Main Dissertation Advisors: Peter C.B. Phillips and Robert J. Shiller
- M.Sc. (2000), Econometrics and Mathematical Economics, London School of Economics  
(*with distinction*)
- B.Sc. (1999), Mathematical Statistics, University of Gothenburg

## Employment

- University of Gothenburg  
Felix Neubergh Professor of Banking and Financial Economics, Department of Economics, 2013-
- Queen Mary, University of London  
Professor, School of Economics and Finance, 2011-2013
- Winton Capital Management, 2010-2011.
- Board of Governors of the Federal Reserve, 2005-2009.

## Other Professional Appointments

- Centre for Finance, University of Gothenburg, Deputy Director, 2018-
- SNS (Centre for Business and Policy Studies), Board of Trustees, 2014-2017

## Primary Research Areas

Empirical Asset Pricing; Empirical Market Microstructure; Financial Econometrics.

## Teaching

- Econometrics II (Ph.D.), Spring 2015, 2017, 2019
- Time-Series Econometrics (Ph.D.), Spring 2013, 2016
- Financial Econometrics (M.Sc. Finance), Spring 2013, 2014, 2015, 2016, 2017, 2018, 2019
- Econometrics for Finance (M.Sc. Finance), Fall 2012
- Investments (M.Sc. Finance), Fall 2012
- Econometrics III (Ph.D.), Teaching Assistant for Professor Donald W.K. Andrews, Spring 2003
- Financial Economics (undergraduate), Teaching Assistant for Professor John Geanakoplos, Fall 2002

## Dissertation Supervision

- 2023 (expected) – Magnus Hansson, Ph.D. Dissertation at University of Gothenburg – Primary advisor
- 2019 (expected) – Anna Lindahl, Ph.D. Dissertation at University of Gothenburg – Primary advisor
- 2019 – Tamás Kiss, Ph.D. Dissertation at University of Gothenburg – Primary advisor
- 2015 – Mohamed-Reda Moursli, Ph.D. Dissertation at University of Gothenburg, joint chair
- 2014 – Michael Neumann, Ph.D. Dissertation at Queen Mary University of London – Primary advisor
- 2010 – Florin G. Maican: “Essays in Industry Dynamics on Imperfectly Competitive Markets”. Ph.D. Dissertation University of Gothenburg – Secondary advisor
- 2006 – Daniel Deng: “Three Essays on Electricity Spot and Financial Derivative Prices at the Nordic Power Exchange”. Ph.D. Dissertation at University of Gothenburg – Secondary advisor
- 2010 – Dissertations of 16 M.Sc. in Finance and Econometrics students at Queen Mary University of London
- 2009 – Fredrik Hansson and Erik Rüdow Fors: “Get Shorty? Market Impact of the 2008-09 U.K. Short Selling Ban”. M.Sc. Thesis at University of Gothenburg – Winner of Malmsten Award for Best Thesis in Finance 2009

## Other Activities

- Assessor for the Research Council of Norway (Project Proposals for Finansmarkedsfondet), August 2015, August 2016, August 2017, December 2018.
- External referee, recruitment of professor in finance and macroeconomics, Örebro University, 2015.
- External examiner, Ph.D. dissertation defense by Donatien Tabin Djoko, “Nonlinear, Nonparametric Methods in Empirical Finance”, University of Neuchatel, November 2013
- External examiner, Ph.D. dissertation defense by Julia Arnold, “The Performance Persistence, Flow and Survival of Systematic and Discretionary Commodity Trading Advisors (CTAs)”, Imperial College Business School, May 2013
- External referee, recruitment of professor in finance and macroeconomics, Örebro University, 2012.

## Research Grants, Fellowships, Honors and Awards:

- Project Grant (SEK 688,000), Nasdaq Nordic Foundation, “Compound returns”, 2019. (Joint with Adam Farago.)
- Programme Grant (SEK 2,325,000), Jan Wallander’s and Tom Hedelius’ Foundation and Tore Browaldh’s Foundation, “Dynamic machine learning in finance and compound returns” (grant number P19-0117), 2019. (Joint with Adam Farago and Marcin Zamojski).
- Project Grant (SEK 450,000), Foundation for Economic Research in West Sweden, “Stock returns in the long run”, 2019. (Joint with Adam Farago.)
- Project Grant (SEK 300,000), Nasdaq Nordic Foundation, “Co-movement, pairs trading, and predictability of stock returns”, 2017. (Joint with Adam Farago.)
- Project Grant (SEK 50,000), Anniversary Foundation of the School of Business, Economics and Law (Stiftelsen Handelshögskolans Jubileumsfond), “Household expectations of future mortgage rates”, 2017.
- Project Grant (SEK 2,868,000), The Swedish Research Council (Vetenskapsrådet), “High-Frequency Trading: Empirical Evaluations of Regulatory Measures and Herding Behavior among High-Frequency Traders” (DNR 2014-01429), 2014.
- Carl Anderson Prize in Economics, Yale University, Spring 2004
- Yale Dissertation Fellowship, Fall 2004
- Cowles Foundation Prize, Summers 2002 and 2003
- Hedelius’ stipend for Doctoral education at a foreign university by Jan Wallanders och Tom Hedelius Foundation, 2004-2005 (Hedeliusstipendium för forskarutbildning vid utländskt universitet från Jan Wallanders och Tom Hedelius Stiftelse, Forskningsstiftelserna Handelsbanken)
- Hedelius’ stipend for Doctoral education at a foreign university by Jan Wallanders och Tom Hedelius Foundation, 2001-2003 (Hedeliusstipendium för forskarutbildning vid utländskt universitet från Jan Wallanders och Tom Hedelius Stiftelse, Forskningsstiftelserna Handelsbanken)

- Yale University Fellowship, 2000-2004
- First Prize in The Swedish Competition Authority Essay Contest (for bachelor thesis), 2000
- Research grant (\$20,000) by Göteborgs Energi AB's Foundation for Research and Development, 2002
- Research grant (\$20,000) by Göteborgs Energi AB's Foundation for Research and Development, 1999

## Publications

1. A Micro-Data Analysis of Households' Expectations of Mortgage Rates (with Pär Österholm). *Economics Letters*, Forthcoming.
2. "Stock price co-movement and the foundations of pairs trading" (with Adam Farago). *Journal of Financial and Quantitative Analysis*, Vol. 54, No. 2, Apr. 2019, pp. 629-665.
3. "Maximal predictability under long-term mean reversion", *Journal of Empirical Finance*, Vol. 45, No. 1, Jan. 2018, pp. 269-282.
4. "Households' mortgage-rate expectations – more realistic than at first glance?" (with Pär Österholm), *Sveriges Riksbank Economic Review*, No. 2, Nov. 2017, pp. 56-63.
5. "Interactions among High-Frequency Traders" (with Evangelos Benos, James Brugler, and Filip Zikes). *Journal of Financial and Quantitative Analysis*, Vol. 52, No. 4, Aug. 2017, pp. 1375-1402.
6. "Rise of the Machines: Algorithmic Trading in the Foreign Exchange Market" (with Alain Chaboud, Benjamin Chiquoine, and Clara Vega). *Journal of Finance*, Vol. 69, No. 5, October 2014, pp 2045-2084.
7. "Some curious power properties of long-horizon tests", *Finance Research Letters*, Vol. 9, No. 2, June 2012, pp. 81-91.
8. "Characteristic-based mean-variance portfolio choice" (with Petar Manchev), *Journal of Banking and Finance*, Vol. 36, No. 5, May 2012, pp. 1392-1401.
9. "Portfolio Diversification Across Characteristics", *Journal of Investing*, Vol. 20, No. 4, Winter 2011, pp. 84-88.
10. "New Methods for Inference in Long-Horizon Regressions", *Journal of Financial and Quantitative Analysis*, Vol. 46, No. 3, June 2011, pp. 815-839.
11. "Testing for Cointegration Using the Johansen Methodology when Variables are Near Integrated: Size Distortions and Partial Remedies" (with Pär Österholm), *Empirical Economics*, Vol. 39, No. 1, August 2010, pp. 51-76.
12. "Frequency of Observation and the Estimation of Integrated Volatility in Deep and Liquid Markets" (with Alain Chaboud, Benjamin Chiquoine, and Mico Loretan), *Journal of Empirical Finance*, Vol. 17, No. 2, March 2010, pp. 212-240.
13. "Predicting Global Stock Returns", *Journal of Financial and Quantitative Analysis*, Vol. 45, No. 1, February 2010, pp. 49-80.
14. "Jackknifing Stock Return Predictions" (with Benjamin Chiquoine), *Journal of Empirical Finance*, Vol. 16, No. 5, December 2009, pp. 793-803.

15. “What Drives Volatility Persistence in the Foreign Exchange Market?” (with David Berger and Alain Chaboud), *Journal of Financial Economics*, Vol. 94, No. 2, November 2009, pp. 192-213.
16. “Efficiency in Housing Markets: Which Home-Buyers Know How to Discount?” (with Randi Hjalmarsson), *Journal of Banking and Finance*, Vol. 33, No. 11, November 2009, pp. 2150-2163.
17. “Testing the expectations hypothesis when interest rates are near integrated” (with Meredith Beechey and Pär Österholm), *Journal of Banking and Finance*, Vol. 33, No. 5, May 2009, pp. 934-943.
18. “Interpreting long-horizon estimates in predictive regressions”, *Finance Research Letters*, Vol. 5, No. 2, June 2008, pp. 104-117.
19. “The Stambaugh bias in panel predictive regressions”, *Finance Research Letters*, Vol. 5, No. 1, March 2008, pp. 47-58.
20. “Fully modified estimation with nearly integrated regressors”, *Finance Research Letters*, Vol. 4, No. 2, June 2007, pp. 92-94.

### **Book Chapters**

21. “Should We Expect Significant Out-of-Sample Results When Predicting Stock Returns?”, in G.I. Ellison (ed.), *Stock Returns: Cyclicality, Prediction and Economic Consequences*, Nova Science Publishers, New York, 2009, pp. 269-274.

### **Working Papers**

22. “Testing Return Predictability with the Dividend-Growth Equation: An Anatomy of the Dog” (with Tamás Kiss).
23. “The Changing Nature of Price Discovery: Evidence from the FX market 2008-2015” (with Alain Chaboud and Filip Zikes).
24. “Compound Returns” (with Adam Farago).

### **Works in Progress**

25. “Long-run Predictability Tests are Even Worse than You Thought” (with Tamás Kiss).
26. “Heterogeneity in Households’ Expectations of Mortgage Rates and Housing Prices – Evidence from Micro Data” (with Pär Österholm).

### **Other Writings**

- i. “Rätt av Riksbanken att bedriva en expansiv politik” (with Pär Österholm). Debattartikel, *Svenska Dagbladet* online, publicerad på SvD.se 2017-10-22. (“The Riksbank is correct in conducting an expansionary monetary policy”, Op-ed in on-line version of one of the main Swedish newspapers.) *In Swedish*.

- ii. "Ett toleransintervall är inte ett målintervall" (with Pär Österholm). Debattartikel, *Dagens Industri*, 2017-09-22. ("A tolerance interval is not a target interval", Op-ed in the main daily business newspaper in Sweden.) *In Swedish*.
- iii. Remissvar till Riksbankens promemoria "Byte av målvariabel och introduktion av variationsband" (DNR 2017-00444), 2017. (Official comment on proposal by the Riksbank to change inflationary measure and introduce a "variance interval"). *In Swedish*.
- iv. Remissvar till "Utvärdering av Riksbankens penningpolitik 2010-2015" (2015/16:RFR6, av Marvin Goodfriend och Mervyn King), 2016. (Official comment on the "Review of the Riksbank's Monetary Policy 2015-2016, by Marvin Goodfriend and Mervyn King.) *In Swedish*.

### Conference Presentations

Quantitative Finance and Financial Econometrics (QFFE) Conference, Marseille, June 2019.  
 Workshop on Financial Econometrics, Örebro University, November 2018.  
 European Summer Meeting of the Econometric Society, Cologne, August 2018.  
 European Summer Meeting of the Econometric Society, Lisbon, August 2017.  
 Microstructure of Foreign Exchange Markets, University of Cambridge, May 2016.  
 Southampton Finance and Econometrics Workshop, University of Southampton, May 2016.  
 4-nations Cup, Rome, May 2015.  
 Stock Markets in Transition, Gothenburg, May 2013.  
 European Economic Association, Barcelona, August 2009.  
 European Summer Meeting of the Econometric Society, Barcelona, August 2009.  
 European Economic Association, Milan, August 2008.  
 European Summer Meeting of the Econometric Society, Budapest, August 2007.  
 North American Summer Meeting of the Econometric Society, Duke University, June, 2007.  
 Return predictability in the short and long run, Copenhagen Business School, January 2007.  
 System Committee on International Economic Analysis Conference, New York, October 2006.  
 European Summer Meeting of the Econometric Society, Vienna, August 2006.  
 System Committee on International Economic Analysis Conference, Boston, October 2005.  
 The World Meeting of the Econometric Society, London, August 2005.  
 European Summer Meeting of the Econometric Society, Madrid, August 2004.  
 The International Association for Energy Economics, Prague, May 2003.  
 The International Association for Energy Economics, Philadelphia, September 2000.  
 The World Meeting of the Econometric Society, Seattle, August 2000.

### Invited Seminars

AP2 (Second Swedish National Pension Fund), May 2019.  
 University of Cambridge, January 2019.  
 AP2 (Second Swedish National Pension Fund), May 2018.  
 Örebro University, March 2018.  
 Sveriges Riksbank, March 2018.  
 Örebro University, December 2016.  
 Stockholm Business School, October 2016.  
 Lund University, April 2016.  
 CREATES, Aarhus University, November 2015.  
 Stockholm School of Economics, March 2014.  
 Stockholm School of Economics, January 2014.  
 Lund University, Sep 2013.  
 SKF, June 2013.  
 Norges Bank Investment Management (NBIM), September 2012.  
 Bank of England, May 2012.  
 University of Innsbruck, April 2012.  
 Göteborg University, September 2011.  
 Imperial College Business School, December, 2010.  
 EDHEC Business School, December, 2010.  
 Essex Business School, November 2010.  
 Sveriges Riksbank, March 2007.  
 The IMF, September 2006.  
 Göteborg University, September 2006.  
 Göteborg University, April 2005.  
 Federal Reserve Board, February 2005.  
 Göteborg University, May 2004.  
 Göteborg University, December 2003.

## Referee Service

*B.E. Journal of Macroeconomics; Communications of the ACM; Economics Letters; Econometric Reviews; Econometric Theory; Econometrics; Empirical Economics; Eurasian Economic Review; European Financial Management; Financial Analysts Journal; International Journal of Central Banking; International Review of Economics and Finance; Journal of Applied Econometrics; Journal of Applied Statistics; Journal of Banking and Finance; Journal of Business and Economics Statistics; Journal of Econometrics; Journal of Economic Surveys; Journal of Emerging Market Finance; Journal of Empirical Finance; Journal of Finance; Journal of Financial and Quantitative Analysis; Journal of Financial Economics; Journal of Financial Econometrics; Journal of Futures Markets; Journal of Investing; Journal of Macroeconomics; Journal of Money, Credit and Banking; Management Science; Managerial Finance; North American Journal of Economics and Finance; Review of Finance; Review of Financial Studies; Studies in Nonlinear Dynamics and Econometrics; The Energy Journal; The Manchester School.*

## Professional Affiliations

American Economic Association  
 American Finance Association  
 The Econometric Society

## Selected Media Coverage

- “Why trading machines don’t like news releases”. Published on Financial Times Alphaville, November 4, 2009. *Discusses the paper, “Rise of the Machines: Algorithmic Trading in the Foreign Exchange Market”* (with Alain Chaboud, Benjamin Chiquoine, and Clara Vega). <https://ftalphaville.ft.com/2009/11/04/81356/why-trading-machines-dont-like-news-releases/>
- “Flash Boys Help Markets, Not Just Themselves, BoE Study Finds”. Published on Bloomberg, 2015-02-24 10:03:09.845 GMT. *Discusses the paper, “Interactions among High-Frequency Traders”* (with Evangelos Benos, James Brugler, and Filip Zikes).