

FRIC Highlights 2016

FRIC • CENTER FOR FINANCIAL FRICTIONS

CBS DEPARTMENT OF FINANCE
COPENHAGEN BUSINESS SCHOOL

Danmarks
Grundforskningsfond
Danish National
Research Foundation

FRIC publications in top journals

FRIC researchers had 3 papers accepted for publication in top-three finance journals in 2016: 2 in *Journal of Financial Economics* and 1 in *The Review of Financial Studies*. For 2017, we already have 4 papers forthcoming in the top-three finance journals.

FRIC research presentations

In 2016, FRIC members were invited to present their work at more than 60 occasions at different universities, and on 10 occasions at central banks as well as a number of other financial institutions. In the year 2016, we had 17 FRIC papers presented at the most prestigious finance conferences: 6 at the American Finance Association Meeting (AFA), 8 at the European Finance Association meeting (EFA), and 3 at the Western Finance Association Meeting (WFA) as well as 4 invitations to act as discussants or session chairs. At the AFA conference in January 2017, 9 FRIC papers were presented - a solid indication of the quality of our research pipeline.

FRIC'16 Conference on Financial Frictions

The FRIC'16 conference again featured a long list of prominent speakers and discussants. This year's conference theme was 'Banking and Money Markets' and keynotes speakers were Douglas M. Gale, New York University; Marco Pagano, University of Naples Federico II; George G. Pennacchi, University of Illinois; and Amir Sufi, University of Chicago (Booth). The FRIC'16 conference had 142 registered participants.

AQR Top Finance Graduate Award 2016

In cooperation with the global investment management firm AQR, FRIC organized the annual AQR Top Finance Graduate Award at CBS for the 4th time. The event featured research presentations by six of the most promising PhD graduates from the academic job market in 2016. The event was attended by 90 registered participants.

4nations cup

FRIC also hosted the 4nations cup, which is a research competition between 4 nations. As Denmark won the cup in 2015, we were selected to host the cup in 2016 and we won again this year with two presentations by FRIC members Jens Dick-Nielsen and Christian Wagner. The 4nations cup had 55 registered participants.

FRIC researchers received grants

FRIC assistant professor Ramona Westermann received a postdoc grant as well as a Sapere Aude Research Tal-

ent Grant for the project 'Can tax incentives explain excessive corporate cash holdings?' A number of travel grants were also awarded to PhD student Thomas Kjær Poulsen for his research exchange at MIT Sloan School of Business.

Prizes and awards

FRIC PhD student Sven Klingler was awarded the 2016 Swiss Finance Institute Outstanding Paper Award for the paper 'An explanation of negative swap spreads', co-authored with Suresh Sundaresan, Columbia Business School.

FRIC Professor Lasse Heje Pedersen and co-author won the 2016 AIM Investment Center Best Paper Award for the paper 'Efficiently Inefficient Markets for Assets and Asset Management'. Assistant professor Paul Whelan and co-authors won the Best paper award at the China International Finance Conference in Xiamen, for the paper 'Expected Term Structures'.

FRIC affiliate member Susan Christoffersen was elected Associate Editor of the Year by the Financial Management Association and FRIC affiliate member Annette Vissing-Jørgensen was elected fellow of the Econometric Society.

FRIC center leader David Lando was re-appointed deputy chairman of the Danish FSA (Finanstilsynet).

Recruiting and placements

We hired 3 new PhD students as well as 1 fulltime research assistant and 3 new student assistants in 2016. Three of our PhD candidates finished their dissertations and are all employed at leading Danish financial institution: Mikael Reimer Jensen is a Portfolio Manager in ATP, Mads Vestergaard Jensen is a Senior Analyst at Danica Pension and Søren Korsgaard is an Economist at Nationalbanken.

Two PhD students went on the international job market in 2016 and had several offers each: Sven Klingler accepted an offer from BI Oslo and Davide Tomio accepted an offer from Darden School of Business, University of Virginia.

Public outreach and impact

In 2016, we intensified our efforts on branding our PhD program and we hosted 2 information meetings and had 2 calls for applicants. We hired 3 FRIC PhD students, of which one is from abroad. A research paper by Jens Dick-Nielsen and co-authors changed the EU banking regulation in 2013, and in 2016 this same research formed the basis for a discussion about the LCR (Liquidity Coverage Ratio) regulation in the EU.

About Center for Financial Frictions (FRIC)

FRIC focuses on how prices and markets are affected by financial frictions such as transaction costs, leverage constraints, counterparty credit risk, illiquidity and asymmetric information. Currently, the CBS members of FRIC count 6 professors, 2 associate professors, 5 assistant professors/post docs and 11 PhD students. In addition, there are 4 external professors from four different universities associated with FRIC. The Center has 1 center coordinator and 5 student assistants.