

Lucio Sarno

PERSONAL DETAILS

Date of birth: 10th December 1970

Nationality and residence: Italian national, UK resident

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PRIMARY APPOINTMENTS

Current affiliations

- City University London, Cass Business School:
 - Professor of Finance, 2009-
 - Associate Dean and Head of the Faculty of Finance, 2009-
- Centre for Economic Policy Research (CEPR), London:
 - Research Fellow, 2007-
 - Research Affiliate, 2000-07

Past affiliations

- University of Warwick, Warwick Business School (WBS):
 - Professor of Finance, 2002-08
 - Associate Dean of Research, 2005-06
 - Head of the Finance Group, 2003-05
 - Associate Professor, 2000-02
- AXA Investment Managers (AXA IM), Fixed Income and Currency Team:
 - Director of Currency Research, 2007-08
- University of Oxford, Department of Economics:
 - Schröder Fellow (Assistant Professor), University College, 1999-2000
 - Leverhulme Research Fellow, 1998-99
- Columbia University, Department of Economics:
 - Post-doctoral Scholar, 1997-98

FIELDS OF SPECIALISATION: International Finance; Empirical Asset Pricing; Macrofinance; Monetary Economics; Financial Econometrics. (Research summary and full list of publications at page 7.)

EDUCATION AND QUALIFICATIONS

- Investment Management Certificate (IMC), CFA Society of the UK (2007)
- Masters of Arts (Honorary), University College, University of Oxford (1999)
- PhD in Economics, University of Liverpool (1995-97). Advisor: Mark Taylor
- Masters of Science in Economics, University of Liverpool (1994-95)
- Dottore Commercialista, University of Salerno (Italian professional accounting qualification, 1994)
- Laurea in Economics and Finance, University of Salerno, Italy (1989-94)
- Computer Programming Diploma, IBM, Salerno, 1991
- High School: Classical Lyceum De Sanctis, Salerno, Italy, specialising in humanistic studies (1983-88)

VISITING APPOINTMENTS, CONSULTANCY, AND POLICY ADVICE

Governments and international organisations

- Federal Reserve Bank of New York: Visiting Scholar, International Research Division (2010)
- International Monetary Fund (IMF): Consultancy and Training in the Economics of Exchange Rates, IMF Institute (2003-11); Visiting Scholar, IMF Institute (2003), Research Department (2002, 2011)
- European Central Bank (ECB): Consultant, DG International (2006, 2008); Training in Econometric Modelling and Forecasting (2004-06, 2009-10)
- Norwegian Ministry of Finance, Sovereign Wealth Funds: Consultancy (2011)
- Central Bank of Norway: Visiting Scholar and Advisor, Research Department (2002-06)
- Bank of Canada: Consultant and Training in the Economics of Exchange Rates (2005)
- Italian Ministry of Economy and Finance, Consip, CNR: Consultant (2003-06, 2010-11)
- Federal Reserve Bank of St. Louis: Visiting Scholar, Research Division (2000-02)
- Central Bank of Colombia: Visiting Scholar and Consultant, Research Department (2001)
- European Commission / CEPR: Commissioned research on exchange rates in transition economies (1998)
- World Bank: Commissioned research on international capital flows to Latin America and Asia (1996)

Universities

- Singapore Management University (SMU), Lee Kong Chian School of Business: Distinguished Visiting Professor of Finance (2010-) and Tommie Goh Visiting Professor in Entrepreneurship and Business (2011-)
- Cyprus University of Technology: Advisory Committee (2006-09)
- Washington University, St. Louis: Visiting Scholar, Department of Economics (2000-02)
- Short courses held as Visiting Professor at: International Hellenic University, Thessaloniki (2011); University of Warwick (2009); University of Tor Vergata, Rome (2005-07); LUISS University, Rome (2004); University of Oviedo (2006)

Private sector

- Credit Suisse, Zurich: Consultant, Exchange Rates Modelling and Forecasting (2011)
- Credit Suisse, London: Consultant, Monetary Policy and Interest Rate Modelling (2006)
- Timberlake Consultants: Training Courses in Econometric Modelling and Forecasting (2000-06, 2009-11)
- AllianceBernstein, New York: Consultant, Exchange Rate Modelling (2000-01)

RESEARCH FUNDING (selective list)

- **2011-13:** Collaborator, Social Sciences and Humanities Research Council of Canada Grant on “Exchange Rates, Order Flow and Global Asset Allocation” (CAD 69,000) [Principal Investigator: Ilias Tsiakas, University of Guelph; Collaborator: Pasquale Della Corte]
- **2010-12:** Principal Investigator, ESRC Research Project on “Understanding Exchange Rate Fluctuations: Macro Issues and Micro Data” (GBP 155,000)
- **2010-11:** Principal Investigator, Commissioned Report on “Purchasing Power Parity in Tradable Goods,” sponsored by the Norwegian Ministry of Finance, Government Pension Fund (GBP 9,900)
- **2009-10:** Principal Investigator, INQUIRE UK Research Project on “The Macro-Finance of Exchange Rates: Linking Global Imbalances to Currency Fluctuations” (GBP 10,000) [Collaborators: Pasquale Della Corte and Ilias Tsiakas, University of Warwick]
- **2005-06:** Principal Investigator, INQUIRE UK Research Project on “The Foreign Exchange Market in Real Time: Unveiling Arbitrage Practices” (GBP 10,000) [Collaborators: Farooq Akram and Dagfinn Rime, Central Bank of Norway]
- **2004-05:** Principal Investigator, ESRC Research Project on “Puzzles in Exchange Rate Economics: An Asset Allocation Perspective” (GBP 45,000) [Co-holders: Abhay Abhyankar and Giorgio Valente; Research Fellow: Emmanuel Davradakis] – ESRC evaluation: Outstanding
- **2001-03:** Principal Investigator, ESRC Research Project on “Policy Uncertainty, Risk and Growth: Theory

and Empirical Evidence” (GBP 80,000) [Co-holder: Jagjit Chadha, University of Cambridge; Research Fellow: Giorgio Valente] – ESRC evaluation: Outstanding

• **1998-99:** Research Fellow, Leverhulme Research Project on “Nonlinearities in Real Exchange Rates and International Competitiveness” (GBP 50,000) [Principal Investigator: Mark Taylor]

SELECTED HONOURS AND AWARDS

• INQUIRE UK Best Paper Prize 2010/11, for “The Predictive Information Content of External Imbalances for Exchange Rate Returns: How Much Is It Worth?” with Pasquale Della Corte and Giulia Sestieri

• Listed in the *Best 40 Business School Professors Under 40*, worldwide ranking by Poets & Quants, February 2011, <http://poetsandquants.com/2011/02/15/the-worlds-best-40-b-school-profs-under-the-age-of-40/2/>. *Fortune* published the list as *The World’s Top Business Professors Under 40* (Feb. 16-17), also reported in and *Yahoo! Finance* (U.S. and Canada) and *CNN Money*.

• INQUIRE UK Best Paper Prize 2009/10, for “Spot and Forward Volatility in Foreign Exchange,” with Pasquale Della Corte and Ilias Tsiakas

• CEPR / ESI Prize 2007 for the Best Central Bank Research Paper, for “Asset Prices, Exchange Rates and the Current Account,” with Marcel Fratzscher and Luciana Juvenal

• Entry in *ISI Essential Science Indicators* [top 1% by citations in economics and business, 10-year rolling] (2005-present)

• Biographical profile in the *Marquis Who’s Who in the World* (2004-present); *The Cambridge Blue Book* (2005-present); the *Marquis Who’s Who in Science and Engineering* (2007-present); the *Marquis Who’s Who in Finance and Business* (2009-present); the *Dictionary of International Biography* (2009-present)

• Rotary Ambassadorial Scholarship for Advanced Studies at Columbia University (1997-98)

• Graduate Scholarship in Economics, Italian Ministry of Education, University and Research (1995-97)

UNIVERSITY SERVICE

City University London:

Cass Executive Group, Management Committee, Board of Studies (2009-present)

University of Warwick:

WBS Steering Committee (2005-06); WBS Development Board (2005-08); Academic Director, MSc in Economics and Finance (2000-07); WBS Research Committee (2003-07); University Search Committee for Chair Appointments (2003-05); Representative at British Council delegations in India (2001), China (2002) and Japan (2003)

University of Oxford:

Co-organiser of the seminars in International Economics at Nuffield College (1999-2000); Undergraduate admissions, University College (1999)

PhD SUPERVISION

Current PhD students:

• Evgenia Passari (ESRC and Cass funded); Barbara Ulloa (funded by the Central Bank of Chile and Santander Bank); Chiara Banti (funded by City University London)

Completed PhD students:

University of Warwick

• Gino Cenedese, 2011 (WBS funded) – Career: Bank of England

• Elvira Sojli, 2008 (ORS funded) – Career: Rotterdam School of Management, Erasmus University

- Pasquale Della Corte, 2007 (ESRC funded) – Career: Warwick Business School; Imperial College Business School, London
- Kleopatra Nikolaou, 2007 (ESRC funded) – Career: European Central Bank
- Sofiane Sekioua, 2004 (funded by the Algerian government) – Career: University of Newcastle; Citibank; African Development Bank
- Giorgio Valente, 2003 (ESRC funded) – Career: Warwick Business School; Chinese University of Hong Kong; University of Leicester; University of Essex

University of Rome ‘Tor Vergata’ (European Doctoral Programme)

- Gabriele Zinna, 2010 – Career: Bank of England
- Giulia Sestieri, 2010 – Career: Banque de France
- Andrea Coppola, 2008 – Career: Italian Ministry of Economy and Finance; World Bank

University of Oxford

- Ibrahim Chowdhury, 2002 (ESRC funded) – Career: University of Cologne; Swiss National Bank; International Monetary Fund
- Benjamin Accam, 2001 – Career: FITCH Ratings; HVB Corporates & Markets

OTHER PROFESSIONAL ACTIVITIES

Nominating bodies

Nobel Prize in Economic Sciences (since 2005); Deutsche Bank Prize in Financial Economics (since 2006); Carlo Alberto Medal (since 2006)

Media

Regularly interviewed or featured in national and international media on economic and financial matters for newspapers, professional finance magazines, TV and radio

Conference organisation

- 2011:** Scientific Committee, CIMF-IESEG Conference on “The Yield Curve and New Developments in Macro-finance: What Have We Learnt from the 2007-2010 Financial Crises?”, University of Cambridge
- 2009:** Programme Committee, 16th Annual Conference of the Multinational Finance Society, Crete
- 2006:** Co-organiser (with Nikolaus Hautch and Mark Salmon) of the ESF Exploratory Workshop on “High-Frequency Econometrics and the Analysis of Foreign Exchange Markets,” University of Warwick
- 2002:** Co-organiser (with Mark Taylor) of the 34th MMF Annual Conference, University of Warwick
- 2000:** Co-organiser (with Eric Girardin and Mark Taylor) of the Anglo-French Workshop on Macroeconomics, Université de Paris 1, Panthéon-Sorbonne
- 1999:** Co-organiser (with Mark Taylor) of the 31st MMF Annual Conference, University of Oxford

Editorial activities

- Guest Co-editor of the Special Issue on “Advances in International Money, Macro and Finance,” *International Journal of Finance and Economics*, 11(3), pp. 175-292, 2006
- Editorial Board Member: *Review of Development Finance*, 2010-present; *Review of Economic Analysis*, 2007-present; *economics*, 2007-present; *Journal of International Financial Markets, Institutions and Money*, 2003-present; *Finance Letters*, 2003-present; *Rivista di Politica Economica*, 2003-present; *Applied Financial Economics*, *Applied Economics*, *Applied Economics Letters*, 1998-05

External assessments and examining

- PhD Committees: University of Oxford; University of Cambridge; University of Warwick; Ecole Doctorale De Sciences Po, Paris; Birkbeck College, London; University of Manchester; Cass Business School, City University London; University of Nottingham; University of Salerno; University of Durham; University of Kent; Université de la Méditerranée Aix-Marseille II; Dublin City University; Brunel University
- External Assessor or Committee Member for promotion and tenure decisions at: Imperial College Business

School, London; University of Essex; University of Warwick; University of York; Cass Business School, London; University of Leicester; Newcastle University; University of Kent; Keele University; Singapore Management University; City University of Hong Kong; American University in Cairo; Dubai University College; Cyprus University of Technology

- External Examiner for taught degrees: University of Birmingham; University of Durham

Others

2002-2005: Member, ESRC Politics, Economics and Geography Research College

1999-2000: Senior Fellow, Economic Society and Debating Society, University of Oxford

1999-2011: Committee Member, Macro Money and Finance (MMF) Research Group

REFEREEING ACTIVITY

• Journals (selective list):

American Economic Review; Canadian Journal of Economics; Econometrica; Econometrics Journal; Economic Journal; Economica; Economic Inquiry; Economics Letters; European Economic Review; European Financial Management; IMF Economic Review; International Economic Review; International Finance; International Journal of Central Banking; International Journal of Finance and Economics; International Monetary Fund Staff Papers; Journal of Applied Econometrics; Journal of Banking and Finance; Journal of Business; Journal of Business and Economic Statistics; Journal of Development Economics; Journal of Economic Dynamics and Control; Journal of Empirical Finance; Journal of Financial and Quantitative Analysis; Journal of Financial Econometrics; Journal of Financial Economics; Journal of Financial Markets; Journal of Forecasting; Journal of Futures Markets; Journal of International Economics; Journal of International Money and Finance; Journal of Money, Credit and Banking; Journal of the European Economic Association; Journal of Risk; Oxford Bulletin of Economics and Statistics; Oxford Economic Papers; Review of Economic Studies; Review of Economics and Statistics; Review of Finance; Review of Financial Studies.

• Other refereeing:

- Books and synopses: Princeton University Press; Cambridge University Press; Elsevier; MacMillan Press; Wiley; Sage Publications.

- Research Funding applications and evaluations: Economic and Social Research Council (ESRC); Leverhulme Trust; US National Science Foundation (NSF); European Science Foundation (ESF); Nuffield Foundation; Social Sciences and Humanities Research Council (SSHRC); Mathematics of Information Technology and Complex Systems (MITACS).

RESEARCH PRESENTATIONS

Invited addresses, keynote, plenary and named lectures

- *Keynote Speaker*, “International Monetary and Financial Economics Workshop,” Toronto, October 2011
- *Keynote Speaker*, Conference on “Currencies and Financial Markets in the Next Financial Crisis,” University of Glasgow, April 2011
- *Keynote Speaker*, Conference Celebrating 10 Years of Inflation Targeting by the Central Bank of Brazil, Insper, Sao Paulo, November 2009
- *Keynote Speaker*, 9th INFER Annual Conference, Loughborough, October 2007
- *Invited Address*, IMF Conference on “Empirical Exchange Rate Models: Recent Advances and Future Challenges,” IMF Office, Paris, December 2006
- *Invited Lecture*, ECB - Bank of Canada Workshop on “Exchange Rate Determinants and Economic Impacts,” Frankfurt, December 2005
- *State-of-the-Art Lecture*, Canadian Economics Association (CEA) Annual Conference, Toronto, June 2004
- *Invited Lecture*, 6th International Conference in Economics, METU, Ankara, September 2002

Conferences and workshops (selective list)

7th Annual Central Bank Workshop on the Microstructure of Financial Markets in Stavanger, 2011; ASSA Annual Meetings (Denver 2011; New York 1999); Western Finance Association (WFA, Santa Fe, 2011; Hawai, 2008); Workshop on External Solvency, Palma de Majorca, 2011; Asset Pricing Workshop, IESEG School of Management, Paris (2010); Workshop in International Asset Pricing, Institute of Finance, Leicester (2010); Yale/RFS Financial Crisis Conference, Yale University (2009); INQUIRE Autumn Seminar (Grantham, 2010; Leeds, 2009); Fifth Empirical Asset Pricing Retreat, Amsterdam (2009); CCBS Research Forum: "Issues in Exchange Rate Economics," Bank of England (2009, 2010); QASS Conference on "Financial Econometrics and Realized Volatility," Queen Mary University, London (2009) ; Global Finance Academy Conference, University College Dublin Business School (2009); EMG Workshop on Microstructure of Financial Markets, Cass Business School, London (2009, 2010, 2011); Conference on "Advances in the Analysis of Hedge Fund Strategies," Imperial College Business School, London (2008, 2009); SNB-IMF Conference on *Exchange Rates*, Zurich (2008); JIE Conference on International Macro-Finance, IMF (2008); INFINITI Conference, Dublin (2008, 2009); 2nd Annual Conference on Advances in the Analysis of Hedge Fund Strategies, Imperial College Business School (2007); MMF / Essex Finance Workshop on "Asset-Backed Securities, the Credit Squeeze and Banking Crisis," University of Essex [roundtable member]; Workshop on "Trading Strategies and Financial Market Inefficiency," Imperial College Business School, London (2007); European Finance Association (EFA) Annual Meeting (Stockholm, 2011; Bergen, 2009; Athens, 2008; Zurich, 2006; Moscow, 2005); European Economic Association (EEA) / Econometric Society Annual Meeting (Barcelona, 2009; Budapest, 2007; Vienna, 2006); CEPR/Bank of England 2nd Economic History Panel (2006) [discussant]; ESF Exploratory Workshop on "High-Frequency Econometrics and the Analysis of Foreign Exchange Markets," University of Warwick (2006); CEPR Economic History Conference, University of Warwick (2005); Econometric Society World Congress, London (2005); Conference on "Forecasting Foreign Exchange Markets," Centre for International Capital Markets, London (2005); High-Frequency Econometrics and Microstructure Workshop, University of Warwick (2005); Society for Nonlinear Dynamics and Econometrics (SNDE) Annual Conference, Federal Reserve Bank of Atlanta (2002), New York University (1999); JIE Conference on "Empirical Exchange Rate Models," University of Wisconsin-Madison (2001); European Financial Management Association (EFMA) Annual Conference, Basel (2004); 8th International Conference on Macroeconomic Analysis and International Finance, University of Crete (2004); Royal Economic Society (RES) Annual Conference (2002-08); Royal Statistical Society (RSS), Workshop on *General Applications in Finance* (RSS, London, 2002); International Conference of the Society for Computational Economics and Finance, Aix-en-Provence (2002); 4th Conference of the Analysis of International Capital Markets Research Network (CEPR), Trinity College Dublin (2002) [chair]; CEPR/ESRC/JCMS Workshop on "European Monetary Union: A First Birthday Party," London (2000) [discussant]; Anglo-French Workshop on Macroeconomics, Université de Paris 1, Panthéon-Sorbonne (2000) [chair]; Macro, Money and Finance Research Group Annual Conference (Warwick 2002, Durham 1997).

FULL LIST OF PUBLICATIONS

Summary of publications and citations count

Over 70 papers published in international refereed journals, including the *Journal of Economic Literature*; *Journal of Finance*; *Journal of Financial Economics*; *Review of Financial Studies*; *Journal of Financial and Quantitative Analysis*; *Journal of Business*; *Review of Economics and Statistics*; *International Economic Review*; *Journal of the European Economic Association*; *Journal of International Economics*; *European Economic Review*; *Journal of Money, Credit, and Banking*; *Journal of Development Economics*; *Review of Finance*. Several books and monographs, including the *Handbook of Exchange Rates* (Wiley, 2012) and the graduate textbook *The Economics of Exchange Rates* (Cambridge University Press, 2003). Since 2005, entry in Thomson *ISI Essential Science Indicators*, selecting the top 1% of the economics and business profession on the basis of total citations on a 10-year rolling period. Number of citations in the Social Science Citation Index (Web of Knowledge) over 1,400, with h-index of 17. Ranked in the top 2% of the profession in the REPEC rankings (world rankings updated on a monthly basis using a broad set of criteria related to published work, citations and other measures of impact).

Index

- I. Papers published or forthcoming in refereed journals
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- III. Papers under review and working papers
- IV. Book reviews
- V. Other publications (refereed)
- VI. Other publications (chapters in books, invited papers and other writings)

I. Papers published or forthcoming in refereed journals

- 1) “Currency Momentum Strategies,” Lukas Menkhoff, Maik Schmeling and Andreas Schrimpf, *Journal of Financial Economics*, forthcoming
- 2) “Global Liquidity Risk in the Foreign Exchange Market,” with Chiara Banti and Kate Phylaktis, *Journal of International Money and Finance*, forthcoming
- 3) “Properties of Foreign Exchange Risk Premiums,” with Paul Schneider and Christian Wagner, *Journal of Financial Economics*, forthcoming
- 4) “Carry Trades and Global Foreign Exchange Volatility,” with Lukas Menkhoff, Maik Schmeling and Andreas Schrimpf, *Journal of Finance*, forthcoming
- 5) “The Predictive Information Content of External Imbalances for Exchange Rate Returns: How Much Is It Worth?” with Pasquale Della Corte and Giulia Sestieri, *Review of Economics and Statistics*, forthcoming
- 6) “Spot and Forward Volatility in Foreign Exchange,” with Pasquale Della Corte and Ilias Tsiakas, *Journal of Financial Economics*, 100(3), 496-513, 2011 [Discussed on 26 January 2011 in the *Financial Times*, Alphaville section, in “The New Volatility FX Carry Trade,” by Isabella Kaminska <http://ftalphaville.ft.com/blog/2011/01/26/470211/the-new-volatility-fx-carry-trade/>]
- 7) “Timing Exchange Rates Using Order Flow: The Case of the Loonie,” with Michael King and Elvira Sojli, *Journal of Banking and Finance*, 34(12), 2917-2928, 2010
- 8) “Asset Prices, Exchange Rates and the Current Account,” with Marcel Fratzscher and Luciana Juvenal, *European Economic Review*, 54(5), 643-658, 2010

- 9) "A Century of Equity Premium Predictability and the Consumption-Wealth Ratio: An International Perspective," with Pasquale Della Corte and Giorgio Valente, *Journal of Empirical Finance*, 17(3), 313-331, 2010
- 10) "Exchange Rate Forecasting, Order Flow and Macroeconomic Information," with Dagfinn Rime and Elvira Sojli, *Journal of International Economics*, 80(1), 72-88, 2010
- 11) "Does the Law of One Price Hold in International Financial Markets? Evidence from Tick Data," with Farooq Akram and Dagfinn Rime, *Journal of Banking and Finance*, 33(10), 1741-1754, 2009
- 12) "Exchange Rates and Fundamentals: Footloose or Evolving Relationship?" with Giorgio Valente, *Journal of the European Economic Association*, 7(4), 786-830, 2009
- 13) "An Economic Evaluation of Empirical Exchange Rate Models," with Pasquale Della Corte and Ilias Tsiakas, *Review of Financial Studies*, 22(9), 3491-3530, 2009
- 14) "The Feeble Link Between Exchange Rates and Fundamentals: Can We Blame the Discount Factor?" with Elvira Sojli, *Journal of Money, Credit and Banking*, 41(2-3), 437-442, 2009
- 15) "Arbitrage in the Foreign Exchange Market: Turning on the Microscope," with Farooq Akram and Dagfinn Rime, *Journal of International Economics*, 76(2), 237-253, 2008
- 16) "The Expectation Hypothesis of the Term Structure of Very Short-Term Rates: Statistical Tests and Economic Value," with Pasquale Della Corte and Daniel Thornton, *Journal of Financial Economics*, 89(1), 158-174, 2008
- 17) "Caution or Activism? Monetary Policy Strategies in an Open Economy," with Martin Ellison and Jouko Vilmunen, *Macroeconomic Dynamics*, 11(4), 519-541, 2007
- 18) "What's Unique About the Federal Funds Rate? Evidence from a Spectral Perspective," with Daniel Thornton and Yi Wen, *Oxford Bulletin of Economics and Statistics*, 69(2), 293-319, 2007
- 19) "The Empirical Failure of the Expectations Hypothesis of the Term Structure of Bond Yields," with Daniel Thornton and Giorgio Valente, *Journal of Financial and Quantitative Analysis*, 42(1), 81-100, 2007 [Summarized in *CFA Digest*, August 2007, 37(3), 23-24].
- 20) "A Cross-Country Financial Accelerator: Evidence from North America and Europe," with Ashoka Mody and Mark Taylor, *Journal of International Money and Finance*, 26(1), 149-165, 2007
- 21) "Deviations from Purchasing Power Parity Under Different Exchange Rate Regimes: Do They Revert and, If So, How?" with Giorgio Valente, *Journal of Banking and Finance*, 30(11), 3147-3169, 2006
- 22) "Nonlinearity in Deviations from Uncovered Interest Parity: An Explanation of the Forward Bias Puzzle," with Hyginus Leon and Giorgio Valente, *Review of Finance*, 10(3), 443-482, 2006
- 23) "New Evidence on the Forward Unbiasedness Hypothesis in the Foreign Exchange Market," with Kleopatra Nikolaou, *Journal of Futures Markets*, 26(7), 627-656, 2006
- 24) "The Role of Asymmetries and Regime Shifts in the Term Structure of Interest Rates," with Richard Clarida, Mark Taylor and Giorgio Valente, *Journal of Business*, 79(3), 1193-1224, 2006
- 25) "Towards a Solution to the Puzzles in Exchange Rate Economics: Where Do We Stand?" *Canadian Journal of Economics*, 38(3), 673-708, 2005

- 26) "Exchange Rates and Fundamentals: Evidence on the Economic Value of Predictability," with Abhay Abhyankar and Giorgio Valente, *Journal of International Economics*, 66(2), 325-348, 2005
- 27) "Federal Funds Rate Prediction," with Daniel Thornton and Giorgio Valente, *Journal of Money, Credit and Banking*, 37(3), 449-471, 2005
- 28) "Modelling and Forecasting Stock Returns: Exploiting the Futures Market, Regime Shifts and International Spillovers," with Giorgio Valente, *Journal of Applied Econometrics*, 20(3), 345-376, 2005
- 29) "Empirical Exchange Rate Models and Currency Risk: Some Evidence from Density Forecasts," with Giorgio Valente, *Journal of International Money and Finance*, 24(2), 363-385, 2005
- 30) "Monetary Policy Rules, Asset Prices and Exchange Rates," with Jagjit Chadha and Giorgio Valente, *IMF Staff Papers*, 51(3), 529-552, 2004
- 31) "Comparing the Accuracy of Density Forecasts from Competing Models," with Giorgio Valente, *Journal of Forecasting*, 23(8), 541-557, 2004
- 32) "Nonlinear Dynamics in Deviations from the Law of One Price: A Broad-Based Empirical Study," with Mark Taylor and Ibrahim Chowdhury, *Journal of International Money and Finance*, 23(1), 1-25, 2004 [Summarized in *CFA Digest*, August 2004, 34(3), 51-53].
- 33) "International Real Interest Rate Differentials, Purchasing Power Parity and the Behaviour of Real Exchange Rates: The Resolution of a Conundrum," with Mark Taylor, *International Journal of Finance and Economics*, 9(1), 15-23, 2004
- 34) "The Out-of-Sample Success of Term Structure Models as Exchange Rate Predictors: A Step Beyond," with Richard Clarida, Mark Taylor and Giorgio Valente, *Journal of International Economics*, 60(1), 61-83, 2003
- 35) "The Dynamic Relationship Between the Federal Funds Rate and the Treasury Bill Rate: An Empirical Investigation," with Daniel Thornton, *Journal of Banking and Finance*, 27(6), 1079-1110, 2003 [Summarized in *CFA Digest*, November 2003, 33(4), 18-20].
- 36) "Nonlinear Equilibrium Correction in U.S. Real Money Balances, 1869-1997," with Mark Taylor and David Peel, *Journal of Money, Credit and Banking*, 35(5), 787-799, 2003
- 37) "Short- and Long-Run Price Level Uncertainty Under Different Monetary Policy Regimes: An International Comparison," with Jagjit Chadha, *Oxford Bulletin of Economics and Statistics*, 64(3), 183-212, 2002
- 38) "Purchasing Power Parity and the Real Exchange Rate," with Mark Taylor, *IMF Staff Papers*, 49(1), 65-105, 2002
- 39) "Mean Reversion in Stock Index Futures Markets: A Nonlinear Analysis," with Michael Monoyios, *Journal of Futures Markets*, 22(4), 285-314, 2002
- 40) "The Behaviour of US Public Debt: A Nonlinear Perspective," *Economics Letters*, 74(1), 119-125, 2001
- 41) "Real Exchange Rate Dynamics in Transition Economies: A Nonlinear Analysis," with Mark Taylor, *Studies in Nonlinear Dynamics and Econometrics*, 5(3), 153-177, 2001
- 42) "Official Intervention in the Foreign Exchange Market: Is It Effective and, If So, How Does It Work?" with Mark Taylor, *Journal of Economic Literature*, 39(3), 839-868, 2001

- 43) “Nonlinear Dynamics, Spillovers and Growth in the G7 Economies: An Empirical Investigation,” *Economica*, 68(3), 401-426, 2001
- 44) “Nonlinear Mean-Reversion in Real Exchange Rates: Toward A Solution to the Purchasing Power Parity Puzzles,” with Mark Taylor and David Peel, *International Economic Review*, 42(4), 1015-1042, 2001
- 45) “The Cost of Carry Model and Regime Shifts in Stock Index Futures Markets: An Empirical Investigation,” with Giorgio Valente, *Journal of Futures Markets*, 20(7), 603-624, 2000
- 46) “Real Exchange Rate Behaviour in the Middle East: A Re-examination,” *Economics Letters*, 66(2), 127-136, 2000
- 47) “Moral Hazard, Asset Price Bubbles, Capital Flows, and the East Asian Crisis: The First Tests,” with Mark Taylor, *Journal of International Money and Finance*, 18(4), 637-657, 1999
- 48) “Adjustment Costs and Nonlinear Dynamics in the Demand for Money: Italy, 1861-1991,” *International Journal of Finance and Economics*, 4(2), 155-177, 1999
- 49) “The Temporal Relationship Between Derivatives Trading and Spot Market Volatility in the UK: Empirical Analysis and Monte Carlo Evidence,” with Kyriacos Kyriacou, *Journal of Futures Markets*, 19(3), 245-270, 1999
- 50) “Hot Money, Accounting Labels and the Permanence of Capital Flows to Developing Countries: An Empirical Investigation,” with Mark Taylor, *Journal of Development Economics*, 59(2), 337-364, 1999
- 51) “Stochastic Growth: Empirical Evidence from the G7 Countries,” *Journal of Macroeconomics*, 21(4), 691-712, 1999
- 52) “Real Exchange Rates Under the Recent Float: Unequivocal Evidence of Mean Reversion,” with Mark Taylor, *Economics Letters*, 60(2), 131-137, 1998
- 53) “The Behaviour of Real Exchange Rates During the Post-Bretton Woods Period,” with Mark Taylor, *Journal of International Economics*, 46(2), 281-312, 1998 (reprinted in Manzur, Meher, ed. *Purchasing Power Parity, The International Library of Critical Writings in Economics* series, No. 226, Cheltenham, UK and Northampton, Mass.: Edward Elgar, 2008, Chapter 16)
- 54) “Real Interest Rates, Liquidity Constraints and Financial Deregulation: Private Consumption Behaviour in the UK,” with Mark Taylor, *Journal of Macroeconomics*, 20(2), 221-242, 1998
- 55) “Capital Flows to Developing Countries: Long- and Short-Term Determinants,” with Mark Taylor, *World Bank Economic Review*, 11(3), 451-470, 1997

II. Books, monographs and edited volumes

- 1) *The Handbook of Exchange Rates* [edited volume], Wiley Series in Financial Engineering, John Wiley and Sons, 2012 forthcoming (about 1000 pages) – with Jessica James and Ian W. Marsh
- 2) *The Economics of Exchange Rates* [part monograph, part advanced graduate textbook], Cambridge, UK and New York, US: Cambridge University Press, 2003 (330 pages) - with Mark Taylor (foreword by Jeffrey A. Frankel, Harvard University – endorsements by Richard H. Clarida, Robert P. Flood, Richard K. Lyons, and Michael Melvin). Chinese reprint edition, 2006

- 3) *New Developments in Exchange Rate Economics* [edited volumes], *The International Library of Critical Writings in Economics* series, No. 148, Cheltenham, UK and Northampton, Mass.: Edward Elgar, 2002 (Volume I: 616 pages; Volume II: 574 pages) - with Mark Taylor
- 4) *The Microstructure of the Foreign Exchange Market: A Selective Survey of the Literature* [monograph], *Princeton Studies in International Economics*, 89, International Economics Section, Princeton, NJ: Princeton University Press, 2001 (60 pages) - with Mark Taylor
- 5) *Dalla Banca d'Italia alla Banca Centrale Europea: Elementi Storici, Economici e Politici* (English title: *From the Bank of Italy to the European Central Bank: Historical, Economic and Political Issues*) [monograph], Naples, Italy: Edizioni Scientifiche Italiane, 2001 (166 pages) - with Antonio De Chiara

III. Papers under review and work in progress

- 1) "Do Exchange Rates Forecast Fundamentals? A Cross-Sectional Perspective," with Maik Schmeling
- 2) "How the Subprime Crisis Went Global: Evidence from Bank Credit Swap Spreads," with Barry Eichengreen, Ashoka Mody and Milan Nedejkovic, *Journal of International Money and Finance*, revise and resubmit
- 3) "The Scapegoat Theory of Exchange Rates: The First Tests," with Marcel Fratzscher and Gabriele Zinna
- 4) "Average Variance, Average Correlation and Currency Returns," with Gino Cenedese and Ilias Tsiakas, *Review of Finance*, revise and resubmit
- 5) "The Economic Value of Predicting Bond Risk Premia," with Paul Schneider and Christian Wagner
- 6) "(Why) Does Order Flow Forecast Exchange Rates?" with Pasquale Della Corte, Dagfinn Rime and Ilias Tsiakas

IV. Book reviews

- 1) Charles Goodhart and Gerhard Illing (eds.), *Financial Crises, Contagion, and the Lender of Last Resort – A Reader* (Oxford and New York: University of Oxford Press, 2002; 558 pages), *Economic Journal*, 113(488), F387-F388, 2003
- 2) Richard K. Lyons, *The Microstructure Approach to Exchange Rates* (Cambridge, Mass. and London, England: MIT Press, 2001; 333 pages), *Economic Record*, 78(243), 501-503, 2002
- 3) Lucio V. Spagnolo, *La Convergenza di Maastricht: Una Misura della Divergenza* (English title: *The Convergence of Maastricht: A Measure of Divergence*) (Turin, Italy: Giappichelli, 1997; 129 pages), *Rivista di Politica Economica*, 88(5), 149-151, 1998

V. Other publications (refereed journals)

- 1) “Monetary Fundamentals and Exchange Rate Dynamics Under Different Nominal Regimes,” with Giorgio Valente and Mark Wohar, *Economic Inquiry*, 42(2), 179-193, 2004
- 2) “Time-Varying Volatility in the Foreign Exchange Market: New Evidence on Its Degree of Persistence and on Currency Spillovers,” with Ibrahim Chowdhury, *Journal of Business Finance and Accounting*, 31(5 & 6), 759-793, 2004
- 3) “The Efficient Market Hypothesis and Identification in Structural VARs,” with Daniel Thornton, *Federal Reserve Bank of St. Louis Review*, 86(1), 49-60, 2004
- 4) “Speculative Bubbles in UK House Prices: Some New Evidence,” with Gaia Garino, *Southern Economic Journal*, 70(4), 777-795, 2004
- 5) “The Behaviour of the Real Exchange Rate: Evidence from an Alternative Price Index,” with Ibrahim Chowdhury, *Economic Notes*, 32(3), 295-333, 2003
- 6) “An Empirical Investigation of Asset Price Bubbles in Latin American Emerging Financial Markets,” with Mark Taylor, *Applied Financial Economics*, 13(9), 635-643, 2003
- 7) “How Well Do Monetary Fundamentals Forecast Exchange Rates?” with Christopher Neely, *Federal Reserve Bank of St. Louis Review*, 84(5), 51-74, 2002
- 8) “Toward a New Paradigm in Open Economy Modeling: Where Do We Stand?” *Federal Reserve Bank of St. Louis Review*, 83(3), 21-36, 2001
- 9) “Private Consumption Behaviour, Liquidity Constraints and Financial Deregulation in France: A Nonlinear Analysis,” with Eric Girardin and Mark Taylor, *Empirical Economics*, 25(2), 351-368, 2000
- 10) “European Capital Flows and Regional Risk,” with Tam Bayoumi and Mark Taylor, *The Manchester School*, 67(1), 21-38, 1999
- 11) “Systematic Sampling and Real Exchange Rates,” *Review of World Economics*, 136(1), 24-57, 2000
- 12) “Real Exchange Rate Behaviour in High Inflation Countries: Empirical Evidence from Turkey, 1980-97,” *Applied Economics Letters*, 7(5), 285-291, 2000
- 13) “Savings-Investment Correlations: Transitory Versus Permanent,” with Mark Taylor, *The Manchester School*, 66(S), 17-38, 1998
- 14) “Exchange Controls, International Capital Flows and Saving-Investment Correlations in the UK: An Empirical Investigation,” with Mark Taylor, *Review of World Economics*, 134(1), 69-98, 1998
- 15) “Estimating the Mean-Reverting Component in Stock Prices: A Cross-Country Comparison,” with Liam Gallagher and Mark Taylor, *Scottish Journal of Political Economy*, 44(5), 566-582, 1997
- 16) “Exchange Rate and Interest Rate Volatility in the European Monetary System: Some Further Results,” *Applied Financial Economics*, 7(3), 255-263, 1997
- 17) “Policy Convergence, the Exchange Rate Mechanism and the Misalignment of Exchange Rates: Some Tests of Purchasing Power Parity and Generalized Purchasing Power Parity,” *Applied Economics*, 29(5), 591-605, 1997

VI. Other publications (chapters in books, invited papers, and practitioner articles)

Chapters in edited volumes

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“Purchasing Power Parity,” revision and extension of original entry by Rudiger Dornbusch. In Durlauf, Steven N. and Lawrence E. Blume, (eds.), *The New Palgrave Dictionary of Economics*, 2nd revised edition (online), Palgrave MacMillan, London, 2008

“Non-Linear Dynamics in Output, Real Exchange Rates and Real Money Balances: Norway, 1830-2003,” with Farooq Akram and Øyvind Eitrheim. In Milas, Costas, Rothman, Philip and Dick van Dijk (eds.), *Nonlinear Time Series Analysis of Business Cycles*, Elsevier’s *Contributions to Economic Analysis* series, Amsterdam, San Diego Oxford and London: Elsevier, 333-377, 2006

“Exchange Rate, The,” commissioned entry for the *Social Science Encyclopedia* (third edition), edited by Kuper, Adam and Jessica Kuper, Oxford and New York: Routledge, Vol. I, 332-334, 2004

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