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Research Interests

International Asset Pricing, Asset Pricing, Macro Finance, Financial Intermediation.

Education

London School of Economics, London, UK

PhD (Candidate) Finance, 2013 - 2019 (expected).

MSc Finance, *Distinction*, 2011 - 2012.

Cass Business School, City University London, London, UK

BSc Business Studies, *First Class Honours*, 2008 - 2011.

Erasmus Exchange Programme, Università Bocconi, Milan, Italy, 2009 - 2010.

Refereed Publications

The Quanto Theory of Exchange Rates (with Ian Martin), *American Economic Review*, forthcoming

We present a new identity that relates expected exchange rate appreciation to a risk-neutral covariance term, and use it to motivate a currency forecasting variable based on the prices of quanto index contracts. We show via panel regressions that the quanto forecast variable is an economically and statistically significant predictor of currency appreciation and of excess returns on currency trades. Out of sample, the quanto variable outperforms predictions based on uncovered interest parity, on purchasing power parity, and on a random walk as a forecaster of differential currency appreciation.

Working Papers / Work in Progress

Currency Redenomination Risk (Job Market Paper)

I construct a time-series measure of currency redenomination risk in French, Italian, and German government bonds based on different types of CDS contracts. I use the measure to assess which spill-over effects from a French or Italian Eurozone exit are priced in the cross-section of Eurozone sovereign bonds. Sovereign yields across the Eurozone fall with increases in Italian redenomination risk, but respond heterogeneously to French redenomination risk: German and Austrian yields fall, while Portuguese yields rise. The findings are consistent with the interpretation that an Italian exit from the Eurozone would remain isolated, while a French exit may lead to further exits from the Eurozone.

Bets and Betas (WIP)

The exposures of currencies to equity market risk are time-varying. Similarly, the positioning of hedge funds with directional bets in FX markets varies over time. I examine the link between these directional bets and the equity market risk exposures of the involved currencies and find that currencies in which hedge funds are long have larger subsequent equity market betas. The phenomenon is limited to the time period following the financial crisis, when the size of these intermediated directional bets is sensitive to adverse shocks to equity markets. A trading strategy designed to exploit temporary price dislocations from the unwinding of hedge fund positions during times of equity market stress attains very high Sharpe ratios. My findings are consistent with the interpretation that the unwinding of intermediated bets in response to adverse equity market shocks transmits directly into an endogenous exposure to systematic risk for the currency.

Seminar and Conference Presentations

2018: LSE; European Winter Finance Conference, Andermatt; Annual Conference of the Swiss Society for Financial Market Research, Zurich; World Symposium for Investment Research, Montréal; Trans-Atlantic Doctoral Conference, London; Dauphine Finance PhD Workshop, Paris; Vienna Symposium in FX Research; EFA Doctoral Tutorial, Warsaw; EFA, Warsaw; HEC PhD Conference in Finance, Paris (scheduled).

2017: Annual Conference in International Finance, London; LSE; HEC PhD Conference in Finance, Paris.

2016: HEC PhD Conference in Finance, Paris; LSE.

Summer Schools

2017: MIT Capital Markets Research Workshop

2016: Princeton Initiative: Macro, Money and Finance

Fellowships and Awards

LSE Class Teacher Award, 2018

SIX Best Paper Award - Swiss Society for Financial Market Research 2018 - *The Quanto Theory of Exchange Rates*

Runner-up - Vienna Symposium on FX Markets 2018 - *The Quanto Theory of Exchange Rates*

Best Conference Paper - Annual Conference in International Finance 2017 - *The Quanto Theory of Exchange Rates*

LSE Class Teacher Award, 2016

LSE Teaching Fellowship 2016 - 2018

Adeline and Karl Goeltz Scholarship, LSE, 2014-2018.

Department of Finance PhD Scholarship, LSE, 2013-2014

Antoine Faure-Grimaud Prize for Outstanding Performance (2nd Prize), M.Sc. Finance, LSE, 2012.

Cass Undergraduate Scholarship, Cass Business School, 2008 - 2011.

Professional Service

Referee: Journal of Empirical Finance, Journal of Financial Econometrics

Teaching

London School of Economics and Political Science:

Teaching Assistant, Postgraduate, FM410 Private Equity (Prof. U. Axelson), 2014-2018.

Teaching Assistant, Executive, Effective Asset Management (Prof. C. Polk), 2017, 2018.

Teaching Assistant, Executive, Corporate Finance & Strategy (Dr. V. Cuñat & Dr. K. Zachariadis), 2015, 2016.

Class Teacher, Postgraduate, FM436 Financial Economics, 2016, 2017, 2018.

Class Teacher, Postgraduate, FM431 Corporate Finance, 2016, 2017.

Class Teacher, Undergraduate, FM212 Principles of Finance, 2015-16.

Class Teacher, Summer School, Alternative Investments, 2016.

Class Teacher, Summer School, Fixed Income Securities & the Macroeconomy, 2015.

Class Teacher, Summer School, Analysis & Management of Financial Risk, 2015, 2018.

Others:

Teaching Assistant, HEC Executive Master in Finance, Asset Management (Prof. C. Polk), 2016, 2017, 2018.

Other Experience

J.P. Morgan, Market Risk - FX Hybrids, *Summer Analyst*, Summer 2014.

Rothschild, Investment Banking, *Analyst*, 2012 - 2013.

Citigroup, Securitized Products Origination, *Summer Analyst*, Summer 2012.

Miscellaneous

Languages: English (fluent), German (native), French (intermediate), Italian (intermediate), Spanish (intermediate).

References

Ian Martin

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Last updated: September 13, 2018