Arthur Beddock

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Employment

City University of Hong Kong
Assistant Professor in Finance — 2022–present

Frankfurt School of Finance & Management
Postdoctoral Researcher in Behavioral Finance — 2021–2022

Education

Tilburg University and **Université Paris Dauphine – PSL**
PhD in Finance, joint degree — 2016–2021

Tilburg University
Research Master in Finance, *Exchange student* — 2016

Université Paris Dauphine – PSL
MRes in Finance (M2 104 Research Master), *ranked 1st* — 2015–2016
MSc in Applied Mathematics, *with honors* — 2014–2015
BSc in Applied Mathematics — 2011–2014

Research Interests

Asset Pricing, Behavioral Finance, Portfolio Choice, Risk Management

Publication

Live Fast, Die Young: Equilibrium and Survival in Large Economies,
with Elyès Jouini, *Economic Theory, 2021, 71(3), 961-996*

Abstract: We model a continuous-time economy with a continuum of investors who differ both in belief and time preference rate and analyze the impact of these heterogeneities on the behavior of financial markets. In particular, we allow the two types of heterogeneity to be correlated: a negative correlation means that the most optimistic agents are also the most patient ones. We fully characterize the risk-free rate which is procyclical and the market price of risk which is countercyclical. When the two types of heterogeneity are negatively correlated, the former is higher and the latter lower compared to the standard case. A negative correlation also leads to a higher market volatility. Moreover, we find that the trading volume increases with the variance of the belief heterogeneity distribution. Finally, the surviving agent of this economy is not necessarily the one who maximizes her utility over her lifetime: a shorter life might be more rewarding than a longer one.

Working Papers

Disagreeing Forever: A Testable Model with Non-vanishing Belief Heterogeneity

Abstract: I develop an overlapping generations model in which each generation is composed of a continuum of agents with heterogeneous beliefs. As observed in financial markets, the model implies that belief dispersion persists over time. Thus, I derive stationary results regarding its impact on stock characteristics. I find that the equilibrium stock mean return, volatility, and aggregate trading volume increase with belief dispersion. Using the disagreement index of Huang et al. (2021) and two measures based on analyst forecasts from the IBES database, I test the model implications and study the long-term relations with data computed over various horizons.

Two Skewed Risks, with Paul Karehnke
Finalist for the 2021 SCOR-EGRIE Young Economist Best Paper Award
Abstract: We analyze the effect of skewness in a simple two-asset framework. Returns follow the split bivariate normal distribution, which combines bivariate normal distributions with different standard deviations. We show that equilibrium risk premia deviate from the CAPM if assets differ in skewness. Moreover, if the more positively skewed asset is more volatile, it underperforms, and its beta, maximum return, idiosyncratic and systematic skewnesses are all higher–consistent with empirical evidence. We also derive formulas and analyze the role of skewness for portfolio choice and recently proposed conditional risk metrics, and show that the distribution provides a good empirical fit.

Work in Progress

Belief Dispersion and Interest Rates, with Elyès Jouini

Presentations

2022: Universidad de Alicante, NEOMA Business School, City University of Hong Kong, Université Laval, HEC Montréal, Hong Kong Joint Finance Research Workshop

2021: Financial Risks International Forum, AFFI Conference, Dauphine PhD Workshop, EFMA Conference (presentation & discussion), EFMA Merton H. Miller Doctoral Seminar, IYFS Conference, EGRIE Annual Seminar (presentation & discussion), Tilburg University, Frankfurt School of Finance & Management, Université Paris Dauphine – PSL

2020: Tilburg University

2019: Finance Theory Group PhD Summer School (Wharton Business School)

2018: Université Paris Dauphine – PSL

Awards & Grants

Best PhD Thesis Award, 2nd prize in Economics and Management, Chancellerie des Universités de Paris	2022
Best PhD Thesis Award in Market Finance, French Finance Association	2022
LABEX Louis Bachelier Travel Grant	2021
AFA Student Travel Grant for the Annual Meeting in Atlanta	2019

Teaching Experience

City University of Hong Kong

Fixed Income Securities (Master)	2023
Theoretical Asset Pricing (PhD)	2023

Université Paris Dauphine – PSL

TA, Statistics (Bachelor)	2016–2021
TA, Microeconomics (Bachelor)	2017–2019
TA, Corporate Finance (Master)	2017

Referee

Finance, Economics Bulletin

Industry Experience

Amundi Investment Solutions, Quantitative Engineering, Paris (intern)	2014

Languages French (native), English (fluent), German (basics), Italian (basics)
& **Softwares** Matlab, R (basics), Python (basics), VBA for Excel, LaTeX

Information French citizen, Born on November 17, 1994

References

Frans de Roon (PhD Advisor)
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