

Dr Simon TIÈCHE

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- ✓ **Ph.D. International Macroeconomics and Finance**
- ✓ **R&R Review of Financial Studies**
- ✓ **Field: International Finance, Macroeconomics, Monetary Policy**
- ✓ **Applied economics and Modeling**
- ✓ **Teaching experience: Macro-Finance, Econometrics, Monetary Policy**
- ✓ **Committed to fostering diversity and inclusion**

Office Contact Information

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References

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Professor Kenza Benhima
University of Lausanne
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Education

- 2017-2022 **University of Lausanne - Ph.D. Candidate in International Economics and Finance**
Thesis: “International Portfolio Choice: The role of Portfolio Frictions and Expected Excess returns”
- 2021 **SciencesPo Paris - Visiting Ph.D**
- 2017-2018 **Study Center Gerzensee, Swiss Program for Beginning PhD Students in Economics**
Sequences: Econometrics (A), Macroeconomics (A), Microeconomics (B)
- 2017 **University of Lausanne**
Master of Science in Economics, Macroeconomics and Quantitative Economics, GPA 5.8/6
Thesis: The Exchange Rate Response to Monetary Policy Innovations: The Convergence of Developing Countries
- 2015 **University of Lausanne - Bachelor of Science in Economics, GPA 5.2/6**

Professional Experience

- 2022- **Ecole Polytechnique Fédérale de Lausanne (EPFL), Chair of International Finance**
Postdoctoral Scholar
- 2020-2022 **Center of Applied Research in Economics, University of Lausanne**
Scientific Collaborator
Project: On the Impact of COVID-19 on Short- and Medium-Term State Budget

- 2016- **Swiss Association of Bankers**
 2018 Research Fellow
Project: The Sovereign Money Initiative in Switzerland: An Economic Assessment, with Philippe Bacchetta, Swiss J Economics and Statistics 154, 3 (2018)
- 2016- **University of Lausanne**
 2021 Research Fellow
Projects: (1) Infrequent Random Portfolio Decisions in an Open Economy Model, 2021, Philippe Bacchetta, Eric van Wincoop, and Eric Young, forthcoming *Review of Economic Studies*
 (2) Puzzling Exchange Rate Dynamics and Delayed Portfolio Adjustment, Philippe Bacchetta and Eric van Wincoop 2021, *Journal of International Economics*, 131, 103460

Teaching Experience

- 2022 Macro-Finance, Ecole Polytechnique Fédérale de Lausanne, Lecturer
- 2016-2022 Applied statistics and econometrics, University of Lausanne, teaching fellow (for Dr Camille Terrier)
- 2019-2022 Monetary Policy and Theory, University of Lausanne teaching fellow (for Dr Samuel Reynard)
- 2016 Statistics and Econometrics, University of Lausanne, teaching fellow (for Prof. Jürgen Maurer)
- 2015 Empirical Research in Management and Economics, University of Lausanne, teaching fellow (for Prof. Rafael Lalive)

Research Papers

Zeros in International Portfolio Choice (Job Market Paper), 2022

Abstract: The international portfolio of equity mutual funds consists of strictly positive country shares and country shares of zero. Given the fund investment universe, the country shares of zero are due to a short-selling constraint, which prevents negative country shares (betting on a future price fall). International mutual fund portfolios respond significantly to expected excess country returns. Yet portfolio frictions lead to a weaker and more gradual response to changes in expected returns. However, how mutual funds respond to expected excess returns and frictions when the zeros are considered is unknown. Here I show the portfolio impulse response of mutual funds to an expected excess return shock is higher by 0.3 percentage points and more persistent than estimated when ignoring the zeros. Active, regional, and more exposed funds react more to the financial shock. Furthermore, I provide descriptive statistics about zeros in international portfolio choice. My results demonstrate that models calibrating financial shocks might underestimate the persistence and the magnitude at which financial intermediaries respond to it.

International Portfolio Choice with Frictions: Evidence from Mutual Funds

R&R Review of Financial Studies, Philippe Bacchetta, **Simon Tièche** and Eric van Wincoop, 2022

Abstract: Using data on international equity portfolio allocations by US mutual funds, we estimate a simple portfolio expression derived from a standard Markowitz mean-variance portfolio model extended with portfolio frictions. The optimal portfolio depends on two benchmark portfolios, the previous month and the buy-and-hold portfolio shares, and a present discounted value of expected future excess returns. We show that equity return differentials are predictable and use the expected return differentials in the mutual fund portfolio regressions. The estimated reduced form parameters are related to the structural model parameters. The estimates imply significant portfolio frictions and a modest rate of risk aversion. While mutual fund portfolios respond significantly to expected returns, portfolio frictions lead to a weaker and more gradual portfolio response to changes in expected returns.

Research Papers in Progress

- The Exchange Rate Response to Monetary Policy Innovations: The Convergence of Developing Countries
- The Exchange Rate Risk Channel of International Portfolios: Evidence from the CHF/EUR Exchange Rate
- The Real Exchange Rate, the Convenience Yield, and the Global Financial Cycle

Skill Set

Software: Matlab (4/5), R (4/5), Stata (5/5), Dynare (5/5), Julia (learning), Python (3/5), LaTeX (5/5), Eviews (4/5), HTML (4/5), CSS (4/5), SQL (2/5)

Languages: French (native), English (C2), German (B1), Italian (B1)

Academic Activities

Selected Seminars and Conferences

2022: Aussenwirtschaft workshop “Trend in Capital Flows - the increasing role of non-bank financial intermediation”, 01 July / Various job market seminars / Seminar at Swiss national bank, 10 March / Seminar at HEC Lausanne, 15 February

2021: Seminar at University of Lausanne, 30 November / Seminar at Paris School of Economics, 4 November / Seminar at Banque de France, 15 September / Seminar at SciencesPo Paris, 3 September / Seminar at University of Lausanne, 19 April / Congress of the SSES, June 10-11, 2021 / AFSE Annual Congress, June 8-10 2021 / 14th RGS Doctoral Conference in Economics, March 4

2020: CEPR Annual International Macroeconomics and Finance (IMF) Program Meeting, 10-11 December, Online (Attendee) / Seminar at University of Lausanne

2019: The 15th annual Dynare Conference, 9-10 September, University of Lausanne, Switzerland (Attendee)

2017: CEPR Annual International Macroeconomics and Finance (IMF) Program Meeting, 6-7 October, Zurich, Switzerland (Attendee) / Workshop on New Advances on Information Frictions in Business Cycles, 26-27 June, Villars-sur-Ollon, Switzerland (Attendee)

Reviewer for

The Leadership Quarterly

Handbooks

“Statistics and Econometrics I” (with Fred Martenet)

Miscellaneous

President of the student association Uthink (2017-2021)

PhD representative at HEC Lausanne faculty and department council (2018-2021)