

会议时间: 2024/05/30 16:00-17:00 (GMT+08:00) 中国标准时间 - 北京

Title: General Equilibrium with Unhedgeable Fundamentals and Heterogeneous Agents

Abstract:

This paper examines the implications of unhedgeable fundamental risk, combined with agents' heterogeneous preferences and wealth allocations, on dynamic asset pricing and portfolio choice. We solve in closed form a continuous-time general equilibrium model in which unhedgeable fundamental risk affects aggregate consumption dynamics, rendering the market incomplete. Several long-lived agents with heterogeneous risk-aversion and time-preference make consumption and investment decisions, trading risky assets and borrowing from and lending to each other. We find that a representative agent does not exist. Agents trade assets dynamically. Their consumption rates depend on the history of unhedgeable shocks. Consumption volatility is higher for agents with preferences and wealth allocations deviating more from the average. Unhedgeable risk reduces the equilibrium interest rate only through agents' heterogeneity and proportionally to the cross-sectional variance of agents' preferences and allocations.

Biography:

Paolo Guasoni holds the Stokes Chair in Financial Mathematics at Dublin City University since 2009 and is a Professor at the University of Bologna. His research investigates the effects of market frictions, incentives, and preferences in portfolio choice and asset pricing, and has appeared in *Annals of Applied Probability*, *Finance and Stochastics*, *Journal of Financial Economics*, *Management Science*, *Mathematical Finance*, and the *SIAM Journal on Financial Mathematics*. He has been funded by the European Research Council, the National Science Foundation, and Science Foundation Ireland. He served as consultant for the US Federal Home Loan Mortgage Corporation (Freddie Mac).

Ruixun Zhang is inviting you to a scheduled Zoom meeting.

Topic: Paolo Guasoni's talk at PKU

Time: May 30, 2024 04:00 PM Beijing, Shanghai

Join Zoom Meeting

<https://us06web.zoom.us/j/82626068089?pwd=v0qyrIh7zbJ3MZmv7zWVgw80eUn5D7.1>

Meeting ID: 826 2606 8089

Passcode: 676426

One tap mobile

+15642172000,,82626068089#,,,,*676426# US

+16465588656,,82626068089#,,,,*676426# US (New York)

Dial by your location

- +1 564 217 2000 US
- +1 646 558 8656 US (New York)
- +1 646 931 3860 US
- +1 669 444 9171 US
- +1 689 278 1000 US
- +1 719 359 4580 US
- +1 720 707 2699 US (Denver)
- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 346 248 7799 US (Houston)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US

Meeting ID: 826 2606 8089

Passcode: 676426

Find your local number: <https://us06web.zoom.us/j/82626068089>