Daniel R. Smith

Contact Information

Associate Professor of Finance
Faculty of Business Administration
Simon Fraser University
8888 University Drive
Burnaby, BC, V6P 2T8, Canada

Voice: (778) 782-4675
Fax: (778) 782-4920
E-mail: `drsmith@sfu.ca`
Web: `http://www.sfu.com/~drsmith`
SSRN: `http://ssrn.com/author=80271`

Citizenship

Australian
Canadian Work Visa

Research Interests

Asset Pricing, Portfolio Selection, Risk Management, Value-at-Risk, Volatility Modeling, Financial Econometrics, Fixed Income Securities, Superannuation.

Academic Experience

Associate Professor of Finance (with tenure) — September 2008 to Present
Faculty of Business Administration
Simon Fraser University; Vancouver, Canada

Assistant Professor of Finance — August 2002 to August 2008
Faculty of Business Administration
Simon Fraser University; Vancouver, Canada

Visiting Fellow — April 2008 to December 2009
Faculty of Business,
Queensland University of Technology; Brisbane, Australia.

Visiting Fellow — July 2007 to August 2007
Faculty of Commerce and Economics,
Australian National University; Canberra, Australia.

Instructor and Research Assistant — September 1998 to July 2002
Faculty of Commerce and Business Administration,
University of British Columbia; Vancouver, Canada

Tutor in Accounting and Finance — February 1995 to July 1998
Faculty of Business,
Queensland University of Technology; Brisbane, Australia.

Education

The University of British Columbia
Vancouver, BC, Canada

Ph.D. (Finance), — September 1998 to August 2002
Thesis: *Essays in Empirical Asset Pricing.*
Committee: Murray Carlson, John Cragg, Glen Donaldson (Chair), and Allan Kraus

The Queensland University of Technology
Brisbane, Queensland, Australia

M.Bus. (Economics), — July 1996 to August 1998
Thesis: *Essays on Persistence in the Stock Market and Business Cycle*
Committee: Allan Layton (Chair), Spencer Thompson.

B.Bus.(Hons.), (Accounting and Finance) — February 1992 to November 1995
Honours Thesis: *On Optimal Decision Making in the Finance Paradigm; the Effect of Dividend Imputation*
Supervisor: Spencer Thompson

Research

Publications

1. Christophe Pérignon and Daniel R. Smith (2009 Forthcoming) "Diversification and Value-at-Risk", *Journal of Banking and Finance*.
2. Amir Rubin and Daniel R. Smith (2009 Forthcoming) "Institutional Ownership, Volatility, and Dividends," *Journal of Banking and Finance*.
3. Daniel R. Smith (2009 Forthcoming), "Asymmetry in Stochastic Volatility Models: Threshold or Correlation?", *Studies in Nonlinear Dynamics and Econometrics*.
4. Christophe Pérignon and Daniel R. Smith (2008 Forthcoming) "A New Approach to Comparing VaR Estimation Methods", *Journal of Derivatives*.
5. Raymond Kan and Daniel R. Smith (2008), "The Distribution of the Sample Minimum-Variance Frontier", *Management Science*, **54**, 1364-1380.
6. Daniel R. Smith (2008), "Evaluating Specification Tests for Markov-Switching Time Series Models", *Journal of Time Series Analysis*, **62**, 629-652.
7. Philip Gray and Daniel R. Smith (2008), "An Empirical Investigation of the Level Effect in Australian Interest Rates", *Australian Journal of Management*, **33**, 31-45.
8. Daniel R. Smith (2008) "Testing for Structural Breaks in GARCH Models", *Applied Financial Economics*, **18**, 845-862.
9. Allan Layton and Daniel R. Smith (2007), "Business Cycle Dynamics with Duration Dependence and Leading Indicators", *Journal of Macroeconomics*, **29**, 855-875.
10. Christophe Pérignon, and Daniel R. Smith (2007) "Yield-Factor Volatility Models", *Journal of Banking and Finance*, **31**, 3125-3144.
11. Daniel R. Smith and Allan Layton (2007), "Comparing Probability Forecasts in Markov Regime Switching Business Cycle Models", *Journal of Business Cycle Measurement and Analysis*, **3**, 79-98.
12. Christophe Pérignon, Daniel R. Smith, and Christophe Villa (2007) "Why Common Factors in International Bond Returns Are Not So Common", *Journal of International Money and Finance*, **26**, 284-304.
13. Daniel R. Smith (2007), "Conditional Coskewness and Asset Pricing", *Journal of Empirical Finance*, **14**, 91-119.
14. Daniel R. Smith (2002), "Markov-Switching and Stochastic Volatility Diffusion Models of Short-Term Interest Rates", *Journal of Business and Economic Statistics*, **20**, 183-197.
15. Allan Layton and Daniel R. Smith (2000), "A Further Note on the Three Phases of the US Business Cycle", *Applied Economics*, **32**, 1133-1143.
16. Daniel R. Smith (1997), "An Economic Analysis of Leasing Under a Full Dividend Imputation Tax System," Chapter 8, pp. 120-135, in Andrew Worthington (Ed.), *Papers in Efficiency, Effectiveness and International Competitiveness*, QUT Press: Brisbane, Australia.
17. Daniel R. Smith (1995), "What Has Dividend Imputation Done to R&D Tax Benefits?", *Australian Accountant*, **65**, 33-35. (Non-refereed.)

Papers Under Review

18. Daniel R. Smith (2007) "Risk and Return in Stochastic Volatility Models: Volatility Feedback Matters!" revise and resubmit, *Review of Financial Studies.*
19. Christophe Pérignon and Daniel R. Smith (2007) "The Level and Quality of Value-at-Risk Disclosure by Commercial Banks."
20. Daniel R. Smith (2007) "Conditional Backtesting of Value-at-Risk Models".
21. Amir Rubin and Daniel R. Smith (2007) "Why Did Individual Stocks Really Become More Volatile?"
22. Daniel R. Smith (2007) "A Stochastic Volatility Model with Fat Tails, Skewness and Leverage Effects."
23. Daniel R. Smith (2007) "Testing for Equal Dynamic Conditional Correlations".
24. Daniel R. Smith (2008) "The Stochastic Equicorrelation Model"

Working Papers

- "Does Risk Aversion Vary Over Time?" (with Robert Whitelaw)
- "Spurious Regression in Financial Economics: How Worried Should You Be?" (with Robert Whitelaw)
- "A Markov Stochastic Volatility Model: Theory and Evidence" (with Dong-Hyun Ahn, Robert Dittmar, and Bin Gao)
- "Standard Errors in Long Horizon Predictive Regressions" (with Tim Simin and Marco Rossi)
- "Asset Allocation with Stochastic Volatility"
- "Are Changes in Implied Volatility Around Earnings Announcements Predictable?" (with Christophe Pérignon)
- "Latent Autoregressive Density Estimation"
- "Maximum Likelihood-Based Tests of the Three Moment CAPM"
- "'Bad Beta, Good Beta' and Parameter Uncertainty"
- "Regulation and the Dynamics of Dual Class Stocks in China" (with Wing Him Yeung and Joyce Jing Zhou)

Conference and Invited Presentations

2002 Simon Fraser University
Northern Finance Association (Banff, Alberta)

2003 University of Queensland
Queensland University of Technology
16th Australasian Banking and Finance Conference (Sydney, Australia)
Northern Finance Association (Quebec City, Quebec)

2004 24th Annual International Symposium of Forecasting (Sydney, Australia)
Simon Fraser University (May and September)
University of Technology-Sydney
Econometric Society Australasian Meeting (Melbourne, Australia)
University of New South Wales
Queensland University of Technology

2005: Simon Fraser University
18th Annual Australasian Banking and Finance Conference (Sydney, Australia)
UBC Summer Finance Conference (Tofino, BC)
Pacific Northwest Finance Conference (Seattle, Washington)
Northern Finance Association Conference (Vancouver, BC)

2006 Pennsylvania State University
University of British Columbia

2007 University of California-San Diego
Australian National University
Simon Fraser University
University of Technology-Sydney
University of Queensland
Queensland University of Technology
University of Southern Queensland
Bond University
Econometrics Society Australasian Meeting (Brisbane, Australia)
Northern Finance Association (Toronto, Ontario)
Likelihood Methods in Finance Conference at Princeton University

2008 American Finance Association Meeting (New Orleans, Louisiana)
Pacific Basin Finance Economics Accounting and Management Conference (Brisbane, Australia)
Frontiers of Financial Econometrics Workshop (Brisbane, Australia)
Northern Finance Association (Kananaskis, Alberta)
University of Melbourne
Simon Fraser University

Research Grants

2008-2011 $63,000
Social Sciences and Humanities Research Council of Canada (SSHRC), Standard Research Grant: "Latent Autoregressive Density Modeling for Finance"
(Principal Investigator).

2006-2009 $63,996
Social Sciences and Humanities Research Council of Canada (SSHRC), Standard Research Grant: "Modelling Canadian Interest Rates in a Global Environment"
(Co-investigator, with Chris Pérignon).

2004-2005 $9,950
Simon Fraser University SSHRC Research Grant
"Dynamic Factor Models for Interest Rates"
(Principal Investigator, with Chris Pérignon).

2003-2004 $10,000
Simon Fraser University Presidential Research Grant
"Asset Allocation in Stochastic Volatility Models"
(Principal Investigator).

Professional Activities

Recruiting Coordinator: Simon Fraser University (2007, joint with Peter Klein; 2008).

Program Committee: 2005 Northern Finance Association Meetings, 2008 Financial Management Association European Meetings.

Session Chair: Northern Finance Association (2002, 2003, 2005), 2006 UBC Summer Finance Conference, 2007 Econometrics Society Australasian Meeting, 2008 Pacific Basin Finance Economics Accounting and Management Conference.

Discussant: Northern Finance Association (2002, 2003, 2005, 2008), Bank of Canada Fixed Income Conference (2006).

Coordinator: SFU Finance Seminar Series (2003-2004, 2007-2008).

Member: National Center for Econometric Research, Financial Econometrics Program.

Trustee: Simon Fraser University academic pension plan (2004-2008)

Committee Member: Research Committee (SFU Faculty of Business, 2003-2004, 2006-2007).

Referee: Review of Economics and Statistics, Journal of Banking and Finance, Journal of Applied Econometrics, Journal of Economic Dynamics and Control, Finance Research Letters, The Financial Review, Empirical Economics, The American Statistician, Bureau of Economic Research, Journal of Financial Econometrics, Studies in Nonlinear Dynamics and Econometrics, Journal of Macroeconomics, Social Sciences and Humanities Research Council of Canada, and Irish Research Council for the Humanities and Social Sciences.

Teaching

Advanced Capital Budgeting, M.App.Fin, Queensland University of Technology (2 sections: 2008)
Market Risk Management, MA, Simon Fraser University (2008)
Fixed Income Security Analysis, MBA/MA, Simon Fraser University (2 sections: 2007-2008)
International Finance, Undergraduate, Simon Fraser University (11 sections: 2004-2008)
Financial Econometrics, MBA, Simon Fraser University (2002)
Investments, Undergraduate, Simon Fraser University (2 sections: 2002, 2003)
Portfolio Theory, MA, Simon Fraser University (2003)
Corporate Finance, Undergraduate, University of British Columbia (4 sections: 2000-2001)
Introductory Statistics, Undergraduate, University of British Columbia (2001)

In 2008 I taught four sections: two sections of an undergraduate International Finance course with an average student evaluation of teaching rating of 4.00 (on a five point Likert scale), a section of Fixed Income for MBA students with an average student evaluation of teaching of 4.36, and a section of Market Risk Management with an average rating of 4.25.

Graduate Supervision

- Ph.D. Supervisor: Jorge Cruz.
- Ph.D. Committee Member: Minli Lian.
- MBA-GAWM
  - Principal supervisor: 2 students
  - Second reader: 3 students
- MA-FRM
  - Principal supervisor: 10 students
  - Second reader: 17 students

References

Dr Adlai Fisher
A. E. Hall Associate Professor of Finance
Sauder School of Business
The University of British Columbia
2053 Main Mall
Vancouver BC V6T 1Z2, Canada
Ph: (604) 822 8331
Fax: (604) 822 4695
Email: adlai.fisher@sauder.ubc.ca
Web: http://www.finance.sauder.ubc.ca/~fisher/

Professor Allan Kraus
Perigee Professor of Finance
Sauder School of Business
The University of British Columbia
2053 Main Mall
Vancouver BC V6T 1Z2, Canada
Ph: +1 (604) 822-8342
Fax: +1 (604) 822 4695
Email: kraus@sauder.ubc.ca
Web: http://www.finance.sauder.ubc.ca/people/kraus/

Professor Robert F. Whitelaw
Edward C. Johnson 3d Professor of Entrepreneurial Finance
Stern School of Business
New York University
44 West 4th Street, Suite 9-190
New York, NY, 10012-1126
Ph: +1 (212) 998 4233
Fax: +1 (212) 995 4233
Email: rwhitela@stern.nyu.edu
Web: http://pages.stern.nyu.edu/~rwhitela/