Curriculum Vita

Suresh M. Sundaresan
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Current position: Chase Manhattan Bank Professor of Economics and Finance

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PERSONAL: Married with two children. U.S. Citizen

PROFESSIONAL OBJECTIVES: To pursue a career in research, teaching and consultancy in Capital Markets, Financial Economics, Investment Management, Corporate Finance and Economics.

ACADEMIC BACKGROUND: PhD in Industrial Administration from the Graduate School of Industrial Administration, Carnegie-Mellon University (1980).

Major Area: Finance
Minor Area: Economics
M.S. in Finance from the Graduate School of Industrial Administration, Carnegie-Mellon University, May 1978.
Post Graduate Diploma in Business Administration, from the Indian Institute of Management, Calcutta, India, May 1973.
B.E. (Honors) in Mechanical Engineering from the University of Madras, India, May 1971.

PROFESSIONAL: AFFILIATION: Chase Manhattan Bank Foundation Professor of Financial Institutions: Since March 1995

Professor (tenured) June 1987 - February 1995

Senior Strategist: Lehman Brothers (1987-1988) on leave from Columbia University. I worked in Fixed-income Research and Derivative Products.

Full-time consultant on interest rate and credit risk at Morgan Stanley Asset Management 2000-2001

Associate Professor (tenured), Columbia University, April 1986 - May 1987
Associate Professor of Business, July 1983 - March 1986 Graduate School of Business, Columbia University.

I was a visiting Associate Professor of Finance, September 1984 - December 1984, Graduate School of Business, University of Chicago. I was on leave from Columbia University.

I served as Assistant Professor of Business, July 1980 - June 1983, Graduate School of Business, Columbia University.

WORK EXPERIENCE

IN INDIA: Executive Assistant (in the Management Trainee Program) to Deputy General Manager at Tata Engineering and Locomotive Company. I was responsible for Material Management and OR applications.

Faculty Member at the Administrative Staff College of India (ASCI), Hyderabad. I was the Program Director for courses on Inventory Management and Spare Parts Management. Co-author of "Materials Management", Prentice-Hall 1975-1976.

PUBLICATIONS:

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(1) "A Continuous Time Equilibrium Model of Forward Prices and Futures Prices in a Multi-good Economy, (with Scott Richard) in Journal of Financial Economics, December 1981, Vol. 9, pp 347-371.

(2) "Constant Absolute Risk Aversion Preferences and Constant Equilibrium Interest Rates," in the Journal of Finance, March 1983, Vol. 37, No. 1, pp. 205-212.

(3) "The Relation between Spot and Futures Prices in Stock Index Futures Markets: Some Preliminary Evidence," (with David Modest) in the Journal of Futures Markets, spring 1983, Vol. 3, No. 1, pp. 15-41.

(4) "Futures Markets and Monopoly," (with Ronald Anderson) in Lexington Books, "The Industrial Organization of Futures Markets: Structures and Conduct," (Edited by Ronald Anderson), 1984, pp. 75-105.

(5) "Constancy of Equilibrium Interest Rates for Power Utility Functions and Stochastic Constant Returns to Scale Technologies," in Economics Letters, Vol. 13, No. 1 1983.

(6) "Consumption and Equilibrium Interest Rates in Stochastic Production Economies," in The Journal of Finance, March 1984, Vol. 39, No. 1, pp. 77-92.

(7) "Equilibrium Valuation of Natural Resources," in The Journal of Business, October 1984, Vol. 57, No. 4, pp. 493-518

(8) "The Valuation of Options of Futures Contracts" (with Krishna Ramaswamy), in The Journal of Finance, December 1985, Vol. 40, No. l 5, pp. 1319-1340.

(9) "The Valuation of Floating Rate Instruments: Theory and Evidence" (with Krishna Ramaswamy), in the Journal of Financial Economics, (1986) Vol. 17, pp. 251-272.

(10) "The Pricing of Derivative Assets in Foreign Exchange Markets" (with Krishna Ramaswamy), in "Recent Developments in International Banking and Finance, Vol. 1, (Edited by Sarkis Khoury and Alo Ghosh), (1987), Lexington Books.

(11) "Intertemporally Dependent Preferences and the Volatility of Consumption and Wealth", in the Review of Financial Studies, (1989), Vol. 2, pp. 73-89.

(12) "Valuation of Swaps," in "Recent Development in International Banking and Finance, Vol. 4, (Edited by) Sarkis Khoury, (1991), North-Holland.

(13) "Futures Prices on Yields, Forward Prices and Implied Forward Prices from the Term Structure", in the Journal of Financial and Quantitative Analysis, September 1991.

(14) "Risk Management of Swaps and Capital Adequacy for Swap Market Makers", (1991), Study Center, Swiss National Bank.

(15) "Floating Rate Notes," in the Palgrave Dictionary of Money and Finance (1992).

(16) "Does Default Risk in Coupons Affect the Valuation of Corporate Bonds? A Contingent Claims Model", (with In Joon Kim and Krishna Ramaswamy), Financial Management, Vol. 22, No. 3 (Autumn, 1993), pp 117-131.

(17) "Interest Rate Swaps: In Empirical Investigation," (with Tong-Sheng Sun and Ching Wang), Journal of Financial Economics, (1993), Vol. 34, pp. 77-99.

(18) "An Empirical Analysis of U.S. Treasury Auctions: Implications for Auction and Term Structure Theories," (1994), Journal of Fixed Income, September.

(19) "Design and Valuation of Debt Contracts", (1996), (with Ron Anderson), Review of Financial Studies, 9, (1), pp 37-68.

(20) Discriminatory Versus Uniform Treasury Auctions: Evidence from When-Issued Transactions," (with Kjell Nyborg), (1996), Journal of Financial Economics, 42, (1), pp 63-104.

(21) "Strategic Analysis of Contingent Claims," (with Ron Anderson and Pierre Tychon), (1996), European Economic Review, 40, (3-5), pp 871-881.

(22). "Valuation, Optimal Asset Allocation and Retirement Incentives of Pension Plans," (with Fernando Zapatero), Review of Financial Studies, (1997), 10, (3), pp 631-660.

(23) "A Comparative Analysis of Structural Models of Default," (with Ronald Anderson), Journal of Banking and Finance, (2000), 24, pp 255-269.

(24) "Non-Traded Asset Valuation with Portfolio Constraints: a Binomial Approach," (with Jerome Detemple), Review of Financial Studies, Vol 12, 4, pp 835-872, (1999).

(25) "Continuous-Time Methods in Finance: A Survey and an Assessment," [A State of the Field Paper], in the Journal of Finance, (2000), 55 (4), pp 1569-1622.

(26) "Debt Valuation, Renegotiations and Optimal Dividend Policy," [with Hua Fan], in Review of Financial Studies, (2000), 13 (4), pp 1057-1099.

(27) "Bidder Behavior in Multi-Unit Auctions: Evidence from Swedish Treasury Auctions," with Kjell Nyborg and Kristian Rydqvist, Journal of Political Economy, (2002), 110 (2), pp 394-424.

(28) "Corporate Bond Yield Spreads and the Term Structure," with Ronald Anderson and Yonghua Pan, Finance, (2000), 21, (2).

(29) "Asset Prices and Default-Free Term Structure in an Equilibrium Model of Default," [with Ganlin Chang], Journal of Business, volume 78 (2005), pages 1215–1266.

(30) "Impact of Collateralization on Swaps," (with Michael Johannes), Journal of Finance, 62, pages 383-410, 2007.

(31) "Optimal debt and equity values in the presence of Chapter 7 and Chapter 11," (with Mark Broadie, and Michael Chernov), Journal of Finance, 2007, 62 (3), 1341-1377.

(32) "Investment under Uncertainty with Strategic Debt Service," [with Neng Wang], American Economic Review, Papers and Proceedings, (2007), 97 (2), 256-261.

(33) "Y2K Options and Liquidity Premium in Treasury Bond Markets," Joint with Zhenyu Wang, 2009, Review of Financial Studies, 22 (3), 1021-1056.

(34) "Collateral Values by Asset Class: Evidence from Primary Securities Dealers," (2011), The Review of Financial Studies, 24(1), pages 248-278. (Co-authored with Leonardo Bartolini, Spence Hilton and Chris Tonneti.

(35) "Managing Corporate Liquidity: Strategies and Pricing Implications," International Journal of Theoretical and Applied Finance, Joint with Mark Broadie and Asvanunt Attakrit, (2011)., 14 (03), 369-406.

(36) "Development of Financial Markets in Asia and Pacific: the international financial crisis and policy changes," in BIS papers, No 52, The International Financial Crisis and Policy Challenges in Asia and the Pacific, Proceedings of the wrap-up conference (2010).

(37) "Comment On Securitization Markets and Central Banking: An Evaluation of the Term Asset-Backed Securities Loan Facility (TALF), Journal of Monetary Economics, (2011), 58 (5), pp 532-535.

(38) "Liability Investment with Downside Risk," with Andrew Ang and Bingxu

Chen, (2013), in the Journal of Portfolio Management, 40 (1), 71-87.

(39) "A Review of Merton's Model of the Firm's Capital Structure with its Wide Applications," (2013), in the Annual Review of Financial Economics, 5, pp 21-41.

(40) "On the Design of Contingent Capital with a Market Trigger," with Zhenyu Wang, in the Journal of Finance. , Volume 70, Issue 2, pages 881–920, April 2015.

(41) "Dynamic Investment, Capital Structure, and Debt Overhang," *Review of Corporate Finance Studies*, with Neng Wang and Jinqaing Yang, 4, (1), 1-42, (2015), *Editor's Choice (lead article).*

(42) **"**FX hedging and creditor rights" with Madhusudan Mohanty in Bank for International Settlements, March 2018, "The price, real and financial effects of exchange rates," Conference Proceedings. volume 96, pages 19-36.

(43) "An Explanation of Negative Swap Spreads: Demand for Duration from Underfunded Pension Plans," with Sven Klingler (BI Oslo), published in the *Journal of Finance*, Volume74, Issue2, April 2019, Pages 675-710.

(44) "Repo Priority Right and the Bankruptcy Code, Critical Finance Review, (2020), (with Jun Kyung Auh), 9, no. 1-2 (June 2020): 77-114.

(45) "Underwriting Government Debt Auctions: Auction Choice and Information Production", with Sudip Gupta (Fordham) and Raghu Sundaram (Stern, NYU), in Management Science, (2021), Volume 67, No. 5, pp 3127-3149.

(46) "Tax Effects on Bank Liability Structure", European Economic Review, (2021), Coauthor(s): Leonardo Gambacorta, Giacomo Ricotti, M. Suresh Sundaresan, Zhenyu Wang, Volume 138, pp 1-21.

(47) "Strategic Bank Liability Structure Under Capital Requirements," with Zhenyu Wang, Forthcoming in Management Science, (2022).

BOOKS:

"Fixed-Income Markets and Their Derivatives" Third Edition, Academic press, Elsevier Publishers, (2011).

"Microfinance: Emerging Trends and Challenges," Edited, Edward Elgar Publishers, (2008).

BOOK REVIEW: Continuous-time Finance, by Robert C. Merton, Basil Blackwell, (1990), in Review of Financial Studies, 1991, pp 793-803.

WORKING PAPERS:

1. Liquidity Regulation and Banks: Theory and Evidence, with Kairong Xiao (2022), under R&R.
2. LOLR policies, banks' borrowing capacities and funding structures (2022), with Stefano Corradin, European Central Bank working paper, under review in journal.
3. The Value of a Cure – An Asset Pricing Perspective, (2022), with Viral Acharya, Tim Johnson and Stephen Zhang.
4. "A Model of Infrastructure Financing", (2022), with Viral Acharya and Cecilia Parlatore, SSRN working paper, under R&R.
5. "Diminishing Treasury Convenience Premiums: Effects of Dealers' Excess Demand and Balance Sheet Constraints", (2022), Second round at Journal of Monetary Economics.
6. "Is Physical Climate Risk Priced? Evidence from Regional Variation in Exposure to Heat Stress," with Viral Acharya, Tim Johnson and Tuomas Tomunen, (2022), winner of Jack Treynor prize for 2022.
7. "Corporate Pension Risk Transfers," (2022), with Sven Klingler, to be presented at the AFA meetings in 2023.

WORK IN PROGRESS:

1. Supply chains and supply shocks induced inflation with Jun Kyung Auh.
2. Pension funding, asset allocation and de-risking, with Sven Klingler, Neng Wang.

TEACHING EXPERIENCE: ***MBA Courses:***

(1) Corporate Finance (MBA)
(2) Debt Markets (MBA & EMBA)
(3) Futures Markets (MBA)

(4) Options Markets (MBA)
(5) Advanced Derivatives (MBA)
(6) Markets for the Poor (MBA)
(7) Capital Markets (Global EMBA)

PhD Courses

(1) Survey of Research in Finance
(2) Introduction to the use of Continuous-time Models in Finance
(3) Applications in Capital Markets.

PROFESSIONAL ACTIVITIES:

Associate Editor for *the Journal of Finance*. (2000 -2010).

Associate Editor, Review *of Derivatives Research.* (2005-2007).

Associate Editor for *Management Science*, (1981-1987).

Associate Editor for *Review of Financial Studies* (1988-1990).

Associate Editor for *Journal of Financial and Quantitative Analysis* (1988-1992).

Associate Editor for *Journal of Futures Markets* (1981-1984).

Refereed papers for Econometrica, Journal of Economic Theory, Journal of Finance, Journal of Financial Economics, Journal of Political Economy, Management Science, Journal of Futures Markets, Journal of Financial and Quantitative Analysis, Journal of Money, Credit and Banking, The Journal of International Money and Finance, Journal of Business European Economic Review and Journal of Banking and Finance, and Review of Financial Studies.

CONSULTING EXPERIENCE:

1. Testified before the Commerce sub-committee of the United States Congress on the "Transparency of the Corporate Bond Markets.
2. Consultant to Shearson Lehman Hutton, in the area of fixed income

securities research, options and futures (1986-1989).
3. In-house Management Training Program for American Express, Goldman Sachs, Credit Suisse, First Boston, Kidder Peabody, Societe-Generale and Lehman Brothers.
4. Expert Witness for Securities and Exchange Commission, (1989-1990).
5. Expert Witness for Internal Revenue Service in matters relating to Derivative Securities valuation. (1995-1999).
6. Coordinator for World Bank Program in Asset Liability Management for Developing Countries.
7. UNDP consultant to Management Schools in India.
8. Visiting Scholar at International Monetary Fund.
9. Served on the Treasury Borrowing Advisory Committee.
10. Expert Witness for Deutsche Bank in the Enron Trial on the efficiency of corporate bonds markets. Testified in the Houston Trial.
11. Expert Witness on the Use of Interest Rate Swaps in Rate Regulation. Testified in California Court.
12. Expert Witness on the relevance of credit events in determining payouts to protection writer. Testified in bench Trial.
13. Serves on the Board of Capula Investment Management, London.
14. Serves on the Board of Microlumbia.

HONOURS:

Won the Dean's Award for Curriculum Design at the Columbia Business School for "Advanced Derivatives" and "Debt Markets," (2005).

Won Dean's Award for Contributions to the Doctoral Programs (2022).

Elected as the Distinguished Alumni at the Indian Institute of Management, Calcutta, (2012).

Wim Duiesenberg Research Fellow at the European Central Bank, January to June 2015.

Won the Dean's Award for teaching at the Columbia Business School for "Debt Markets," (2017).

Swiss Finance Institute Best Paper Award (2017).

Jack Treynor Price Award (2022)

OUTSIDE ACTIVITIES:

1. Expert witness for securities lending. Worked as a consultant to the

Analysis Group.
2. Senior Advisor and Director to Capula Investment Management, London. Provided research input on portfolio strategies.
3. Expert witness on cross-currency swaps. Worked as a consultant to White and Case in formulating the damages associated with Lehman Bankruptcy.
4. Member of Advisory Board, Bombay Stock Exchange. Helped with their education outreach in India.
5. Consultant, the Federal Reserve Bank of New York.
6. Advisory board member to Indian Institute of Management, Calcutta, Financial Lab.
7. IN THIS YEAR I PARTICIPATED IN NO OUTSIDE ACTIVITIES WITH A CONFLICT OF INTEREST.