

Allan Timmermann
University of California San Diego
Department of Economics
9500 Gilman Drive
La Jolla, CA 92093-0508
Tel: 858 534 4860, Fax: 858 534 7040
e-mail: atimmerm@weber.ucsd.edu

University Education

Ph.D., University of Cambridge (Churchill College), 1992
MSc Economics, London School of Economics, 1988
Cand. Polit, University of Copenhagen, Institute of Economics, 1991

University Employment

Visiting Research Scholar, UCLA, October 1989-August 1990
Lecturer in Financial Econ., Univ. of London (Birkbeck College), Oct. 1991-June 1994.
Assistant Professor of Economics, UCSD (1994 - 1998).
Professor of Finance, London School of Economics, 1998 – 1999.
Tenured Assoc. Professor of Economics, UCSD. 1999 – present.

Visiting Positions

Visiting Professor, Monash University, Melbourne Australia June 1998.
Visiting Professor, University of Aarhus, Denmark August 1998.
Visiting Scholar, Federal Reserve Board, May 2000.

Scholarships and Prizes

British Council Scholarship (1987/88)
Carlsberg Scholarship (1987)
The Carlsberg Studentship at Churchill College (1988-1991)
Tress Prize at Birkbeck College for outstanding research (1993)
Hellmann Faculty Fellowship, University of California San Diego (1997-98)

Appointments and Services

Departmental Editor, Journal of Forecasting (2000-)
Editorial Board Member, Journal of Asset Management
Research Fellow of the CEPR (1997-2000)
Member of Organizing Committee of Computational Finance Conferences (1994-)
Entry in 'Who is Who in Finance and Industry' (US Edition)

Consulting Experience

Consulted for international investment companies and insurance consulting firms.

Publications

A. Journals and Refereed Book Chapters

Firm Size and Cyclical Variations in Stock Returns. Journal of Finance, 2000, 1229-1262 (with Gabriel Perez-Quiros).

Data-Snooping, Technical Trading Rules and the Bootstrap. Journal of Finance, 1999, 54, 1647-1692 (with Ryan Sullivan and Hal White).

Asset Allocation Dynamics and Pension Fund Performance. Journal of Business, 1999, 72, 429-461 (with David Blake and Bruce Lehmann).

Moments of Markov Switching Models. Journal of Econometrics, 2000, 96, 75-111.

Risk Sharing and Transition Costs in the Reform of Pension Systems in Europe. Economic Policy, 1999, 253-286 (with David Miles).

A Recursive Modelling Approach to Predicting UK Stock Returns. Economic Journal, 2000, 159-191 (with Hashem Pesaran).

The Hazards of Mutual Fund Underperformance: A Cox Regression Analysis. Journal of Empirical Finance, 1999, 121-152 (with Asger Lunde and David Blake).

Mutual Fund Performance: Evidence from the UK. European Review of Finance, 1998, 57-77 (with David Blake).

Excess Volatility and Predictability of Stock Returns in Autoregressive Dividend Models with Learning. Review of Economic Studies, 1996, 523-557.

Variation in Expected Stock Returns. Evidence on the Pricing of Equities from a Cross-Section of UK Companies. Economica, 1996, 63, 369-82 (with David Miles).

Option Pricing with GARCH and Systematic Consumption Risk. Derivatives Use, Trading & Regulation, 1996, Part II: vol 1(4), pp 353-67 (with Steve Satchell).

Predictability of Stock Returns: Robustness and Economic Significance. Journal of Finance, 1995, 50, 1201-1228 (with Hashem Pesaran).

On the Optimality of Adaptive Expectations: Muth Revisited. International Journal of Forecasting, 1995, 11(3), 407-16 (with Steve Satchell).

Cointegration Tests of Present Value Models with a Time-Varying Discount Factor. Journal of Applied Econometrics, 1995, 10, 17-31.

An Assessment of the Economic Value of Nonlinear Foreign Exchange Rate Forecasts. Journal of Forecasting, 1995, 14(6), 477-498 (with Steve Satchell). To be reprinted in T.C. Mills (ed.) Economic Forecasting. Edward Elgar. UK

Option Pricing with GARCH and Systematic Consumption Risk. Derivatives Use, Trading & Regulation, 1995, Part I: vol 1 (3), pp 279-88 (with Steve Satchell).

Can Agents Learn to Form Rational Expectations? Some Results on Convergence and Stability of Learning in the UK Stock Market. Economic Journal, 1994, 104, 777-98.

Present value Models with Feedback: Solutions, Stability, Bubbles, and Some Empirical Evidence. Journal of Economic Dynamics and Control, 1994, 18, 1093-1119.

Forecasting Stock Returns. An Examination of Stock Market Trading in the Presence of Transaction Costs. Journal of Forecasting, 1994, 13, 335-67 (with Hashem Pesaran).

Why do Dividend Yields Forecast Stock Returns? Economics Letters, 1994, 46, 149-158.

A Generalization of the Non-Parametric Henriksson-Merton test of Market Timing. Economics Letters, 1994, 44, 1-7 (with Hashem Pesaran).

Optimal Properties of Exponentially Weighted Forecasts in the Presence of Different Sources of Information. Economics Letters, 1994, 45, 169-74 (with Steve Satchell).

How Learning in Financial Markets Generates Excess Volatility and Predictability in Stock Prices. Quarterly Journal of Economics, 1993, 108, 1135-1145.

Learning, Specification Search and Stock Market Efficiency. With an Application to the Danish Stock Market. Scandinavian Journal of Economics, 1993, 95(2), 157 - 73.

Chaos and Non-linear Components in Danish Asset Prices. Journal of the Danish Economic Association , 1993, vol 131, 374-389.

A Simple Non-Parametric Test of Predictive Performance. Journal of Business and Economic Statistics, 1992, 461-65 (with Hashem Pesaran).

The Long Run Behaviour of Danish Stock Prices. Journal of the Danish Economic Association, 1992, vol 130, 3, 473-82.

The Stock Market Crash of October 1987. Journal of the Danish Economic Association, 1988, vol 127, 1, 74-94.

B. Refereed Book Chapters, Comments, Reviews and Special Issues

Density Forecasting in Economics and Finance. Editor of special issue of Journal of Forecasting. Forthcoming, Summer 2000.

Data Mining with Local Model Specification Uncertainty: A Discussion of Hoover and Perez. *Econometrics Journal*, 1999, vol 2, pp 220-225. (with Clive Granger).

Variations in the Mean and Volatility of Stock Returns around Turning Points of the Business Cycle (with Gabriel Perez-Quiros). John Knight and Steve Satchell (eds): *Forecasting Volatility in the Financial Markets*, pages 287-306. Butterworth-Heinemann, Oxford (1998).

Daily Returns in International Stock Markets: Predictability, Nonlinearity, and Transaction Costs, 1997, Pages 369-391 in Barnett, Kirman and Salmon (eds.) Nonlinear Dynamics and Economics. Proceedings of the tenth international symposium in economic theory and econometrics (with Steve Satchell).

Book Review of Robert Trippi and Efram Turban (eds) *Neural Networks in Finance and Investing*. Revised Edition, Irwin (1997). International Journal of Forecasting.

Scales and Stock Markets. Nature, 1995, vol 376, 18-19.

Investor Preferences and the Correlation Dimension. In Robert Trippi (ed.) Chaos and Nonlinear Dynamics in the Financial Markets. Theory, Evidence and Applications (with Steve Satchell).

**Articles in the International Broker (May - September 1992).
Weekly columns on Investment Techniques:**

- (i) Equity switch programme (vol 6, page 7)
- (ii) Making money out of chaos (vol 7, page 6)
- (iii) Where random walks trips up (vol 8, page 7)
- (iv) Ignorance can be profitable (vol 9, page 7)
- (v) Making money from market volatility (vol 10, page 7)
- (vi) High-low prices in options trading (vol 11, page 7)
- (vii) Can heavy trading be profitable? (vol 12, page 7)
- (viii) Economic variables show stock returns (vol 13, page 7)
- (ix) No mean return on shares (vol 14, page 9)
- (x) Do option prices augur a crash? (vol 15, page 9)
- (xi) Puzzles in closed-end fund prices (vol 16, page 9)
- (xii) Capital asset pricing model challenged (vol 17, page 9)
- (xiii) How dividends affect share prices (vol 18, page 9)
- (xiv) The relationship between price and volume (vol 19, page 9)
- (xv) How Persistent are financial market shocks? (vol 22, page 9).

most of these articles were co-authored with Steve Satchell.

Refereed for

Applied Mathematical Finance
Economic Inquiry
Economic Journal
Economica
Journal of Applied Econometrics
Journal of Empirical Finance
Journal of Economic Dynamics and Control
Journal of Finance
Journal of Financial Markets
Journal of Forecasting
Journal of Monetary Economics
Nature
Review of Economic Studies
Scandinavian Journal of Economics

Seminar Presentations

University of Aarhus, Denmark August 1998
Australian Nat. Univ. (Invited talk at Australasian Econometric Society Meet., July 1998)
Bank of England
Birkbeck College, University of London 1991, 1994
University of Bristol, UK November 1998
California Institute of Technology
Camp Econometrics (Catalina Island, May 1998)
University of California, Los Angeles (economics)
University of California, Los Angeles (Graduate School of Management)
University of California, Riverside
University of California, San Diego
University of California, Santa Barbara
University of Cambridge, UK January 1999
Computational Finance 99. Stern Business School NYU (spot poster and presentation)
CEPR conference on derivatives, Louvain Belgium 1994
CEPR lunch seminar, London February 1997
City University Business School, London February 1999
Computational Finance (CF 99), Stern Business School, January 1999
Computational Finance (CF 2000), London Business School, London, June 2000
EC² conference on forecasting, Stockholm December 1998
Economic Policy Panel Meeting, Deutsche Bundesbank Frankfurt April 1999
Erasmus University (department of Econometrics), Rotterdam July 1999
European University Institute, Fiesola Italy, 1992, conf. on chaos and nonlinear methods
University of Exeter, UK 1994
Federal Reserve Board, Washington DC, May 2000
First Quadrant, London May 1999
Forecasting Financial Markets Conference, London May 1999 (presentation + chair)
Imperial College Business School, London February 1999
Inquire Conference, Istanbul October 1998
International Center for Money and Banking Studies, ICMBS, Geneva September 1998
IMF, May 2000
London Business School
London School of Economics, November 1998, February 1999
Long Term Capital Management, London, UK January 1999
Monash University, Melbourne Australia July 1998
NBER Summer Institute (Boston, MA), July 1996
New York University, Stern Business School, March 2000
North American Econometric Society Winter Meetings (Chicago, January 1998)
North American Econometric Society Summer Meetings (Pasadena, July 1997)
Oxford University, Nuffield College, November 1998
Penn State, April 1997
Royal Statistical Society (TIMSAC meeting) March 1999
University of Pennsylvania, April 1997
University of Sussex, UK

University of Technology and Science (UTS), Sydney Australia, July 1998
Vanderbilt University, Owen Business School, May 2000
University of Warwick, UK, November 1998
Washington State University (Brinson Distinguished Lecture Series, April 1998)
Western Finance Association (WFA) Meetings, Monterrey June 1998
Western Finance Association (WFA) Meetings, Santa Monica June 1999