

EHUD I. RONN

Address: Department of Finance 6508 Ladera Norte
Red McCombs School of Business Austin, TX. 78731-2629
University of Texas at Austin
Austin, TX. 78712-1179

Tel.: (512) 471-5853 (512) 794-0651
FAX: (512) 471-5073
E-Mail: eronn@mail.utexas.edu

EDUCATION

Stanford University	Finance*	1978-82	Ph.D.	1983
Technion (Israel)	Economics**	1976-78	M.S.	1978
Technion (Israel)	Economics/Management* * *	1972-76	B.S.	1976

* GSB Merit Fellowships, 1980-81, 1981-82
** Gutwirth Foundation Scholarship
* * * Graduated with honors

EXPERIENCE

University of Texas at Austin	Jack S. Josey Professor in Energy Studies	2000-present
University of Texas at Austin	Professor of Finance	1996-present
University of Texas at Austin	Associate Professor of Finance	1988-1996
European Business School	Lazard Visiting Professor of Finance	December 2001
Helsinki School of Economics and Business Administration	Visiting Associate Professor of Finance	May 1991
University of Chicago	Visiting Assistant and Visiting Associate Professor of Finance	1987-88
University of California, Berkeley	Assistant Professor of Finance	1982-88
Stanford University	Research Assistant	1978-81
Technion (Israel)	Lecturer	1978
Technion (Israel)	Teaching Assistant	1976-78
University of Texas at Austin	Director, Center for Energy Finance Education and Research	1998-present
Merrill Lynch & Co.	Vice President, Trading Research Group	1991-93

DISSERTATION

“Utility-Based Valuation of Capital Assets,” Stanford University, May 1983.

PUBLISHED ARTICLES

- “The Substitution of Capital, Labor and Energy in the Israeli Economy” (with A. Melnik), *Resources and Energy*, 3 (November 1981), pp. 247-258.
- “A Utility-Based Model of Common Stock Price Movements” (with R. Litzenberger), *Journal of Finance*, XLI:1(March 1986), pp. 67-92.
- “Pricing Risk-Adjusted Deposit Insurance: An Option-Based Model” (with A. Verma), *Journal of Finance*, XL1:4 (September 1986), pp. 871-895.
- “On the Rationality of Common Stock Return Volatility,” *Financial Review*, Vol. 21, No. 4, November 1986, pp. 355-381.
- “A New Linear Programming Approach to Bond Portfolio Management,” *Journal of Financial and Quantitative Analysis*, Vol. 22, No. 4, December 1987, pp. 439-466.
- “A Multi-Attribute Comparative Evaluation of Relative Risk for a Sample of Banks” (with A. Verma), *Journal of Banking and Finance*, Vol. 11, 1987, pp. 499-523.
- “Non-Additive Preferences and the Marginal Propensity to Consume,” *American Economic Review*, Vol. 78, No. 1, March 1988, pp. 216-223.
- “Capital Adequacy Standards for a Sample of 43 Major Banks” (with A. Verma), *Journal of Banking and Finance*, Vol. 13, No. 1, 1989, pp. 21-29 (Also published in *Proceedings, Bank Structure and Competition*, Federal Reserve Bank of Chicago, May 1988).
- “Inflation Futures and a Riskless Real Interest Rate” (with B. Flesaker), *Review of Futures Markets*, Vol. 7, No. 1, May 1988, pp. 36-67.
- “The Box Spread Arbitrage Condition: Theory, Tests and Investment Strategies” (with A. Gerbarg Ronn), *Review of Financial Studies*, Issue I, Volume II, 1989 (Also published in the *Proceedings, Seminar on the Analysis of Security Prices*, Center for Research in Security Prices, November 1987).
- “Arbitrage-Based Estimation of Non-Stationary Shifts in the Term Structure of Interest Rates” (with R. Bliss), *Journal of Finance*, Vol. 44, No. 3, July 1989, pp. 591-610 (Preliminary draft published in *Proceedings, Seminar on the Analysis of Security Prices*, Center for Research in Security Prices, May 1988).
- “A Simple Time-Varying Binomial Model for the Valuation of Interest Rate-Contingent Claims” (with R. Sias) (previously entitled “The Valuation of Options on the Short-Term Interest Rate”), **Advances in Futures and Options Research**, Vol. 5, 1991, pp. 89-111.
- “The Valuation of Options on Eurodollar Futures Contracts using Non-Stationary Arbitrage-Free Models” (with H. Han), *Journal of Fixed Income*, Vol. 1, No. 3, December 1991, pp. 60-73.
- “The Pricing of FIREARMS (‘Falling Interest Rate Adjustable Rate Mortgage’)” (with B. Flesaker), *Journal of Real Estate Finance and Economics*, Vol. 6, pp. 251-275, May 1993.

“A Non-Stationary Trinomial Model for the Valuation of Options on Treasury Bond Futures Contracts” (with R. Bliss), *Journal of Futures Markets*, Vol. 14, No. 5, August 1994, pp. 597-617 (Published in monograph form as **A New Method for Valuing Treasury Bond Futures Options**, Association for Investment Management and Research, Financial Analysts Federation, 1992).

“A Characterization of the Daily and Intra-Day Behavior of Returns on Options” (with A. Sheikh), *Journal of Finance*, Vol. 94, No. 2, June 1994, pp. 557-580.

“Debt and Market Incompleteness” (with L. Senbet), *Journal of Banking and Finance*, Vol. 19, No. 6, 1995.

“An Empirical Estimate of the Prepayment Option Value in Fixed-Rate GNMA Mortgage-Backed Securities” (with P. Rubinstein and F.-S. Pan), *Journal of the American Real Estate and Urban Economics Association*, Spring 1995, Vol. 23, 1, pp. 1-20.

“The Valuation of Default Risk in Corporate Bonds and Interest Rate Swaps” (with S. Nielsen), **Advances in Futures and Options Research**, Volume 9, 1997, pp. 175-196.

“Callable U. S. Treasury Bonds: Optimal Calls, Anomalies, and Implied Volatilities” (with R. Bliss), *Journal of Business*, Vol. 71, No. 2, April 1998, pp. 211-252.

“On the Relationship between Expected Returns and Implied Volatility of Interest Rate-Dependent Securities” (with P. Wadhwa), *Journal of Portfolio Management*, Vol. 24, No. 3, Spring 1998, pp. 93-109.

“Analyzing the Risks Inherent in the Procter & Gamble - Bankers Trust Levered Swap Contract” (with C. Dincerler and J. Martin), **Advances in Financial Planning and Forecasting**, edited by Cheng-Few Lee, Elsevier Science, 2001, Vol. 10, pp. 243-256

CHAPTERS IN BOOKS

“Testing the Causality of Policy Variables in Israel” (with U. Ben-Zion), in Nadav Halevy and Jacob Kop (eds.), **Studies in the Israel Economy**, Maurice Falk Institute for Economic Research in Israel, Jerusalem, 1977, pp. 149-61.

“Changes of Asset Composition and the Performance of Mutual Funds” (with U. Ben-Zion and D. Rotem), in Zvi Zussman and Moshe Felber (eds.), **Studies in the Israel Economy 1981**, Jerusalem, 1983, pp. 187-208.

“A Model for the Valuation of Callable Bonds,” in Frank J. Fabozzi (ed.), Ch. 10, **Handbook of Fixed Income Options: Strategies, Pricing and Applications**, pp. 245-259, 1996.

“Options on Treasury Bond Futures Contracts” (with K. Toft), in Frank J. Fabozzi (ed.), Ch. 11, **Handbook of Fixed Income Options: Strategies, Pricing and Applications**, pp. 261-281, 1996.

“Tax Effects in U. S. Government Bond Markets” (with Y. Shin), in Frank J. Fabozzi (ed.), **Advances in Fixed-Income Valuation Modeling and Risk Management**, New Hope, PA., 1997, pp. 233-250.

“A Two-Factor Model for the Valuation of the T-Bond Futures Contract’s Embedded Options” (with S. Nielsen), in Frank J. Fabozzi (ed.), **Advances in Fixed-Income Valuation Modeling and Risk Management**, New Hope, PA., 1997, pp. 135-152.

WORK IN PROGRESS

“Cash Flow Matching with Minimum Issue Size: A Comparison of Linear Programming and Mixed-Integer Programming” (with S. Nielsen), Working Paper, University of Texas at Austin, October 1994.

“The Impact of Large Changes in Asset Prices on Intra-Market Correlations in the Domestic and International Markets” (with A. Sayrak and S. Tompaidis), Working Paper, University of Texas at Austin, November 2001.

“Vega-Hedging: An Antidote for Model Misspecification” (with C. Xuan), Working Paper, University of Texas at Austin, May 1997. Preliminary drafts published in *The MFA Reporter*, 1996, and *Derivatives Week*, Aug. 18, 1997.

“*Ex-Ante* Inferences on Rates of Return to Capital Assets Implied in Their Market-Value Weights” (previously entitled “On the *Ex-Ante* Mean-Variance Efficiency of the U. S. Treasury Master Portfolio”) (with A. Sayrak and C. Dincerler), Working Paper, University of Texas at Austin, August 2001.

“A Two-Factor Model for the Valuation of the T-Bond Futures Contract’s Quality and Timing Options” (with S. Nielsen), Working Paper, University of Texas at Austin, October 1997.

“Hedging Long-Dated Oil Futures Contracts: An Empirical Investigation” (with C. Xuan), Working Paper, University of Texas at Austin, December 1997. (Preliminary draft published in *Energy & Power Risk Management*, Vol. 3, No. 2, May 1998, pp. 26-29)

“Valuation of Commodity-Based ‘Swing’ Options” (with P. Jaillet and S. Tompaidis), Working Paper, University of Texas at Austin, December 2001. (Preliminary draft of part I published in *Energy & Power Risk Management*, Vol. 3, No. 3, June 1998, pp. 14-16 and part II in July 1998 issue, pp. 28-29)

“The Procter & Gamble – Bankers Trust Levered Swap Contract Revisited: A Two-Factor Valuation Approach” (with C. Dincerler and S. Nielsen), Working Paper, University of Texas at Austin, April 2001.

“Risk Premia and Price Dynamics in Power Markets” (with C. Dincerler), Working Paper, University of Texas at Austin, June 2001.

SEMINAR PRESENTATIONS (1997 –)

“*Ex-Ante* Inferences on Rates of Return to Capital Assets Implied in Their Market-Value Weights” (previously entitled “On the *Ex-Ante* Mean-Variance Efficiency of the U. S. Treasury Master Portfolio”):

– Federal Reserve Bank of Atlanta, November 1996

- University of Tuebingen, March 1997
- Tilburg University, March 1997
- Erasmus University, March 1997
- University of Edmonton, April 1997
- Texas Finance Symposium, October 1997
- Financial Management Association Annual Meetings, October 1997
- Annual Conference on Financial Economics and Accounting, November 1997
- Sixth Conference on the Theories and Practices of Security and Financial Markets, Kaoshiung, Taiwan, December 1997
- University of Notre Dame, April 1998
- Sixth Conference on Pacific Basin Business, Economics & Finance, Hong Kong, May 1998
- University of Houston, September 1998

“Valuation of Commodity-Based ‘Swing’ Options”:

- Energy & Power Risk Management Conference, December 1997
- CIFEr Conference, March 1998
- SIAM 1998 Annual Meeting, July 1998
- Queen’s University/Cornell University Derivative Securities Conference, April 1998
- Computational and Quantitative Finance Conference, September 1998
- American Economic Association Annual Meetings, January 1999
- Nippon Finance Association, May 1999
- Western Finance Association, June 1999

“Hedging Long-Dated Oil Futures Contracts: An Empirical Investigation”:

- Federal Reserve Bank of Atlanta Financial Markets Conference, February 1998
- Energy & Power Risk Management Conference, February 1998

“The Procter & Gamble – Bankers Trust Levered Swap Contract Revisited: A Two-Factor Valuation Approach”:

- Seventh Conference on Pacific Basin Business, Economics & Finance, Taipei, May 1999
- Baylor University, September 1999
- University of Oklahoma, November 1999
- University of Aarhus, December 1999
- Eleventh Annual Derivatives Securities Conference, April 2001

“The Market Price of Risk in Incomplete Energy Markets”:

- European Business School, December 2001
- Goethe University of Frankfurt, December 2001

AWARDS

1986 Earl F. Cheit Excellence in Teaching Award, University of California at Berkeley, San Francisco MBA Program. Award presented at 1986 Spring Banquet, San Francisco, April 1986.

1986 American Association of Individual Investor Award for Best Paper in Investments at June 1986 Western Finance Association Meetings: “A New Linear Programming Approach

to Bond Portfolio Management.” Award presented at 1986 Annual Meeting of the Western Finance Association, Colorado Springs, June 1986

1997 Texas Finance Symposium Best Paper Award: “Ex-Ante Inferences on Rates of Return to Capital Assets Implied in Their Market-Value Weights.” Award presented at 1997 Symposium, Denton, TX., October 1997

GRANTS

“A New Linear Programming Approach to Bond Portfolio Management”: Institute for Quantitative Research in Finance Grant, September 1985

“Arbitrage-Based Estimation of Non-Stationary Shifts in the Term Structure of Interest Rates”:

– Institute for Quantitative Research in Finance Grant, May 1988

– Research Foundation of the Institute of Chartered Financial Analysts Grant, July 1988

“The Pricing of FIREARMS (‘Falling Interest Rate Adjustable Rate Mortgage’): Prochnow Educational Foundation, February 1989

PROFESSIONAL SERVICE

Associate Editor, *Journal of Portfolio Management*, 1996 –

Associate Editor, *Journal of Financial Services Research*, 1999 –

Associate Editor, *Review of Quantitative Finance and Accounting*, 2001 –

Associate Editor, *Energy Economics*, 2001 –

Director, Center for Energy Finance Education and Research (CEFER), McCombs School of Business, University of Texas at Austin, 1998 –

Member, Program Committees, 1987 – 1993 and 1995 Annual Meetings of the Western Finance Association.

Member, Program Committees, 1992, 1994 and 1996 Annual Meetings of the Financial Management Association.

Member, Program Committee, 2002 Annual Meeting of the European Finance Association.

Seminar Coordinator, 1989 Texas Finance Symposium.

Co-Chair, 1999 Tenth Annual Conference on Financial Economics and Accounting.

Secretary-Treasurer, Research Consortium on Financial Economics and Accounting, 2001 –

Reviewed articles for: *American Economic Review*, *Financial Management*, *Journal of Banking and Finance*, *Journal of Business*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Financial Economics*, *Journal of Financial Intermediation*, *Journal of Money, Credit and Banking*, *Journal of Political Economy*, *Journal of Risk and Insurance*, *Review of Financial Studies* and *Review of Quantitative Finance and Accounting*.

1/02