

EHUD I. RONN

Address: Department of Finance 6508 Ladera Norte
McCombs School of Business Austin, TX 78731-2629
2100 Speedway Stop B6600
University of Texas at Austin
Austin, TX 78712-1276

Tel.: (512) 471-5853 (512) 861-5126
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.Sc.	1978
Technion (Israel)	Economics/Management***	1972-76	B.Sc.	1976

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

EXPERIENCE

University of Texas at Austin	Professor of Finance	1996-present
University of Canterbury	Visiting Erskine Fellow	July – Aug. 2018
Dartmouth College	Visiting Professor of Finance	Fall 2011
Fordham University	Visiting Professor of Finance	Fall 2011
University of Texas at Austin	Jack S. Josey Professor in Energy Studies	2000-2002
University of Texas at Austin	Associate Professor of Finance	1988-1996
European Business School	Permanent Visiting Professor of Finance	2001-2006
Helsinki School of Economics and Business Administration	Adjunct Professor of Finance Visiting Associate Professor of Finance	2006-2010 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
Morgan Stanley & Co.	Executive Director, Commodity Market Modeling	2010-2011
University of Texas at Austin	Director, Center for Energy Finance Education and Research	1998-2009
Merrill Lynch & Co.	Vice President, Trading Research Group	1991-93

DISSERTATION

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

PUBLISHED ARTICLES

1. “The Substitution of Capital, Labor and Energy in the Israeli Economy” (with A. Melnik), *Resources and Energy*, 3 (November 1981), pp. 247-258.
2. “A Utility-Based Model of Common Stock Price Movements” (with R. Litzenberger), *Journal of Finance*, XLI:1(March 1986), pp. 67-92.
3. “Pricing Risk-Adjusted Deposit Insurance: An Option-Based Model” (with A. Verma), *Journal of Finance*, XL1:4 (September 1986), pp. 871-895.
4. “On the Rationality of Common Stock Return Volatility,” *Financial Review*, Vol. 21, No. 4, November 1986, pp. 355-381.
5. “A New Linear Programming Approach to Bond Portfolio Management,” *Journal of Financial and Quantitative Analysis*, Vol. 22, No. 4, December 1987, pp. 439-466.
6. “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.
7. “Non-Additive Preferences and the Marginal Propensity to Consume,” *American Economic Review*, Vol. 78, No. 1, March 1988, pp. 216-223.
8. “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).
9. “Inflation Futures and a Riskless Real Interest Rate” (with B. Flesaker), *Review of Futures Markets*, Vol. 7, No. 1, May 1988, pp. 36-67.
10. “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).
11. “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).
12. “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.

13. “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.
14. “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.
15. “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).
16. “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.
17. “Debt and Market Incompleteness” (with L. Senbet), *Journal of Banking and Finance*, Vol. 19, No. 6, 1995.
18. “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.
19. “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.
20. “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.
21. “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.
22. “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.
23. “Valuation of Commodity-Based ‘Swing’ Options” (with P. Jaillet and S. Tompaidis), *Management Science*, 2004 (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).
24. “The Bias in Black-Scholes/Black Implied Volatility: An Analysis of Equity and Energy Markets” (with J. Doran), *Review of Derivatives Research*, Volume 8, Issue 3, 2005 (Publication year: 2006).

25. “Estimating the Commodity Market Price of Risk for Energy Prices” (with S. Kolos), *Energy Economics*, Vol. 30, Issue 2, March 2008, pp. 621-641.
26. “Computing the Market Price of Volatility Risk in the Energy Commodity Markets” (with J. Doran), Special Issue on Commodities, *Journal of Banking and Finance*, Vol. 32, Issue 12, Dec. 2008, pp. 2541-2552.
27. “The Impact of Large Changes in Asset Prices on Intra-Market Correlations in the Domestic and International Markets” (with A. Sayrak and S. Tompaidis), *Financial Review*, Vol. 44, Issue 3, Aug. 2009, pp. 405-436.
28. “A Simple Model for Time-Varying Expected Returns on the S&P 500 Index” (with J. Doran and R. Goldberg), *Journal of Investment Management*, Vol. 7, Number 2, 2nd Quarter 2009.
29. “Valuation of a Natural Gas Storage Facility” (with M. Kjaer), *Journal of Energy Markets*, Vol. 1, Number 4, Winter 2008/09.
30. “Intra-Day Risk Premia in European Electricity Forward Markets” (with J. Wimschulte), *Journal of Energy Markets*, Vol. 2, Number 4, Winter 2009/10.
31. “Pricing Credit-Rated Defaultable Coupon Bonds” (with R. Jagannathan and W. Chen), *International Review of Applied Financial Issues and Economics*, Vol. 3, No. 3, 2011, pp. 574-593.
32. “Quantifying and Explaining the New Issue Premium in the Post Glass-Steagall Corporate Bond Market” (with R. Goldberg), *Journal of Fixed Income*, 2013.
33. “Fine-Tuning a Corporate Hedging Portfolio — The Case of an Airline Company” (with M. Gerner), *Journal of Applied Corporate Finance*, 2013
34. “Modeling Natgas Intra-Month Spot (Daily or ‘Cash’) Price Movements,” *Journal of Energy Markets*, Vol. 7, No. 3, 2014, pp. 35 – 49.
35. “The Valuation and Informational Content of Options on Crude-Oil Futures Contracts” (with F. Murphy), *Review of Derivatives Research*, 2014.
36. “Financial and Security Analyses of China’s Loan-for-Oil Deals: Cooperation that Is Not Conflict-Driven” (with E. Gholz and U. Awan), *Energy Research and Social Sciences*, forthcoming Jan. 2017.
37. “Financial Markets in the Face of the Apocalypse” (with J. Białkowski), *Journal of European Economic History*, forthcoming Sep. 2017.
38. “Intra-Market Correlations in the Bond Markets: Extending Empirical Regularities from the Equity Markets” (with R. Goldberg), *Journal of Fixed Income*, forthcoming Oct. 2017.

39. “The Global Equity Premium Revisited: What Human Rights Imply for Assets’ Purchasing Power” (joint with J. Białkowski), forthcoming, *International Review of Financial Analysis*, 2018.
40. “Characterizing the Hedging Policies of Commodity Price-Sensitive Corporations” (with R. Boroumand and S. Goutte), *Journal of Futures Markets*, forthcoming Aug. 2020.
41. “Using the Binomial Model for the Valuation of Real Options in Computing Optimal Subsidies for Chinese Renewable Energy Investments” (with X. Liu), *Energy Economics*, forthcoming 2020.

BOOK EDITOR

Real Options and Energy Management: Using Options Methodology to Enhance Capital Budgeting Decisions, 2002, Risk Books, London

CHAPTERS IN BOOKS

1. “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.
2. “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.
3. “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.
4. “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.
5. “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.
6. “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.
7. “Valuation of Oil Fields as Optimal Exercise of the Extraction Option,” in Vincent J. Kaminski (ed.), **Managing Energy Price Risk** (3rd. Edition), Risk Books, London, 2004.

8. “Was Enron’s Business Model Fundamentally Flawed?,” in Michael Frenkel, Ulrich Hommel and Markus Rudolf (eds.), **Risk Management: Challenge and Opportunity** (2nd. edition), 2004.
9. “Commodity-Based ‘Swing’ Options,” in Vincent J. Kaminski (ed.), **Managing Energy Price Risk**, Risk Books, London, 2015.

PRACTITIONER PUBLICATIONS

1. “Vega-Hedging: An Antidote for Model Misspecification” (with C. Xuan), *The MFA Reporter*, 1996, and *Derivatives Week*, Aug. 18, 1997.
2. “Hedging Long-Dated Oil Futures Contracts: An Empirical Investigation” (with C. Xuan), *Energy & Power Risk Management*, Vol. 3, No. 2, May 1998, pp. 26-29).
3. “Modeling the Correlation Matrix of Natural Gas Futures Returns” (with M. Kjaer), *Energy Risk*, Nov. 2006, pp. 60 – 66.
4. “Modeling the Correlation Function in the Crude-Oil Futures Market,” *Energy Risk*, 2009.
5. “The Correlation Functions in the Crude-Oil and Natural-Gas Futures Markets,” *Energy Risk*, 2013.

WORK IN PROGRESS

“Valuation of Credit Derivatives, and Credit Value-at-Risk, for the Energy Industry,” Working Paper, University of Texas at Austin, April 2007

“Managing Long and Short Price-and-Quantity Exposure at the Corporate Level” (with S. Kolos), Working Paper, University of Texas at Austin, Feb. 2016

“Using Equity, Index and Commodity Options to Obtain Forward-Looking Betas and Conditional-CAPM Expected Crude-Oil Spot Prices,” Working Paper, University of Texas at Austin, Aug. 2020

“Valuation of Callable/Puttable Corporate Bonds in a One-Factor LogNormal Interest-Rate Model” (with R. Goldberg and L. Xu), Working Paper, University of Texas at Austin, June 2020.

“Prices and Volatilities of Oil Markets in 2020: Back to Bachelier” (with R. Galeeva), Working Paper, University of Texas at Austin, Sep. 2020.

SEMINAR PRESENTATIONS (2013 –)

“Using Equity, Index and Commodity Options to Obtain Forward-Looking Betas and Conditional-CAPM Expected Crude-Oil Spot Prices”:

– Nanyang Business School, March 2013

- Energy Economics and Finance Seminar, Norwegian University of Science and Technology, May 2013
 - University of York, Dec. 2013
 - ESCP Europe, Feb. 2014
 - RiskMinds Energy 2014, June 2014
 - 53rd EWGCFM Meeting & 2nd International Conference of the RCEM, Chania (Crete), May 2014
 - Energy Finance 2014 (EF14), Erice, Italy, Sep. 2014
 - 32nd International Conference of the French Finance Association, June 2015
 - 25th Pacific Basin Finance, Economics, Accounting and Management Conference, July 2015
 - 10th Energy and Finance Conference, “Energy Finance – Challenges and Opportunities” Cass Business School (accepted for presentation), Sep. 2015
 - 26th Conference on Financial Economics and Accounting, Nov. 2015
 - Center for Commodity Market Research Commodity Markets Conference, May 2016
 - Global Derivatives Trading & Risk Management, May 2016
 - Wolfgang Pauli Institute (WPI) Conference on the Mathematics of Energy Markets, July 2016
 - SIAM Conference on Financial Mathematics and Engineering, Nov. 2016
 - RiskMinds Americas, June 2017
 - OptionMetrics Research Conference, Oct. 2017
 - Global Derivatives Trading & Risk Management USA, Nov. 2017
 - University of Melbourne, July 2018
 - University of Auckland, July 2018
 - University of Canterbury, July 2018
 - Otago University, Aug. 2018
 - Auckland Centre for Financial Research Derivative Markets Conference, Aug. 2018
 - University of Wellington, Aug. 2018
 - Macquarie University, Aug. 2018
 - Oklahoma State University, Nov. 2018
 - Energy Risk USA, May 2019
 - Tsinghua University, June 2019
 - Nankai University, June 2019
 - Beihang University, June 2019
 - Xiamen University, June 2019
 - University of Copenhagen, Sep. 2019
 - Chicago Quantitative Alliance, Sep. 2019
 - University of Lugano, Sep. 2020
- “Modeling Natgas Intra-Month Spot (Daily or ‘Cash’) Price Movements”:
- Global Derivatives USA, International Center for Business Information, Nov. 2013
 - 2014 International Conference on Commodity Markets (ICCM), Jan. 2014

“Financial Markets in the Face of the Apocalypse”: 20th New Zealand Finance Colloquium, Feb. 2016

“Characterizing the Hedging Policies of Commodity Price-Sensitive Corporations” (previously entitled “Testing the Optimality of Hedge Ratios in Consuming and Producing Commodity Firms”):

– CEM2017 Commodity and Energy Markets, June 2017

– 26th Annual Conference on Pacific Basin Finance, Economics, Accounting and Management, Sep. 2018

– QuantMinds Americas Conference, Sep. 2018

– 3rd Annual JPMCC International Commodities Symposium, Aug. 2019

“Option Prices in the Equity, Index and Commodity Markets: The ‘Message from Markets’”: Hebrew University of Jerusalem Recanati School of Business Administration Conference “Options: 45 years after the publication of the Black-Scholes Merton model,” Dec. 2018

“Using the Binomial Model for the Valuation of Real Options in Computing Optimal Subsidies for Chinese Renewable Energy Investments”:

– Real Options in Energy and Mining Workshop, Fields Institute, Feb. 2019

– Commodity and Energy Markets Association (CEMA) Annual Meeting, June 2019

KEYNOTE ADDRESSES

“The Crude-Oil/NatGas Markets: The ‘Message from Markets’”:

– Fuqua School of Business MBA International Retreat, July 2006

– Invited keynote address to Canadian Applied and Industrial Mathematics Society — CAIMS * SCMAI 2007, May 2007

– Keynote Address, 51st Conference of the Euro Working Group on Commodities and Financial Modeling, May 2013 (as “The Current State of the Oil-Futures Markets: The ‘Message from Markets’”)

– Finance and Banking Faculty, Ton Duc Thang University, July 2015

“Challenges in Energy Risk Management”: Keynote Address, Texas Quantitative Finance Festival, Nov. 2010

“Using Structured Derivative Contracts to Hedge Oil-Price Exposure”: Seminar on Hedging Oil Requirements of Indian Oil Marketing Companies (OMCs), Centre for Advanced Financial Research and Learning (CAFRAL), Reserve Bank of India, Oct. 2014

“Quantifying Geopolitical Risk in the Equity and Commodity Markets”: Fifth Annual International Conference on Accounting and Finance (AF 2015), Singapore, June 2015

“Risk and Expected Return in the Oil-Futures Market”: Encana Distinguished Lecture Series, University of Colorado Denver Business School, March 2017

“A Financial-Economics Approach to Estimating Equity Expected Returns and Forecasting the Yield Curve”: HJ Sims 14th Annual Late Winter Conference, March 2017

“A Financial-Economics Approach to Forecasting Crude-Oil Spot Prices,” Keynote Address, 2019 Australasian Commodity Markets Conference, Sydney, April 2019

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

European Business School Teaching Excellence Award (Winter Term 2001/02), Silver
European Business School Teaching Excellence Award (Summer 2002), Gold
European Business School Teaching Excellence Award (Summer 2006)

Selected by *Energy Risk* Magazine to “Energy Risk Hall of Fame,” Nov. 2004

Annual Symposium of St. John’s University Financial Services Institute Best Paper Award: “A Simple Model for Time-Varying Expected Returns on the S&P 500 Index.” Award presented at 2008 Symposium, New York City, September 2008

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

Recipient, 2018–2019 Big XII Fellowship, University of Texas at Austin

“Valuation of Options on Crude-Oil Futures Contracts using the Merton Jump-Diffusion Model,” 2018 Research Excellence Center for Global Business Research Grant from McCombs CGB/CIBER

PROFESSIONAL SERVICE

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

Associate Editor, *Energy Economics*, 2001 –

Associate Editor, *Journal of Energy Markets*, 2007 –

Associate Editor, *International Journal of Theoretical and Applied Finance*, 2008 –

Associate Editor, *Journal of Commodity Markets*, 2014 –

Associate Editor, *Journal of Financial Services Research*, 1999 – 2003

Associate Editor, *Journal of Portfolio Management*, 1996 – 2002

Co-Editor, *Journal of Banking and Finance* Special Issue on “Commodity and Energy Markets,”
Commodity Markets Conference and Energy and Commodity Finance Conference, 2016 – 2018

Chair, 2019 FMA Meeting Best Paper Award in Options & Derivatives Committee

Member, Advisory Board, **Handbook of Quantitative Finance & Risk Management**, 2009

Director, Center for Energy Finance Education and Research (CEFER), McCombs School of Business, University of Texas at Austin, 1998 – 2009

Member, Program Committees, 1987 – 1993, 1995 and 2006 – 2019 Annual Meetings of the Western Finance Association (Program Associate Chairperson, 2015)

Member, Program Committees, 1992, 1994, 1996, 2002, 2003, 2005, 2008 and 2009 Annual Meetings of the Financial Management Association

Member, Program Committee, 10th Global Finance Conference 2003, European Business School

Member, Program Committee, 2002 and 2013 – 2016 Annual Meeting of the European Finance Association

Member, Program Committee, 2007 – 2010 Annual Meetings of the European Financial Management Association

Member, Program Committee, 2010 – 2011 FMA Asian Conference

Member, Program Committee, 2016 – 2018 Commodity Markets Conferences

Member, Program Committee, 2019 University of Oklahoma Energy and Commodities Finance Research Conference

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 (CFEA), 2001 – 2016

Honorary Member, Executive Committee of the Research Consortium on Financial Economics and Accounting, 2016 –