

The Institute of Finance and Financial Regulation (IF^FR) invites
you to the seminar

Oil and Equity Return Predictability: The importance of dissecting oil price changes

Presented by Dr Georgios Skoulakis, University of British Columbia

17:30-19:00, February 13, 2019

Bank of Greece Head Office , 21 El. Venizelos Str., Athens, 2nd floor, Conference
Room N.212-214

Entry Requirement: Passport / ID card

Abstract: We document that oil price changes no longer predict G7 country equity index returns, in contrast to evidence based on data until the mid-2000s. Using a structural vector autoregression approach, we decompose oil price changes into oil supply shocks, global demand shocks, and oil-specific demand shocks. The hypothesis that oil supply shocks and oil-specific demand shocks (global demand shocks) predict equity returns with a negative (positive) slope is supported by the empirical evidence over the 1986-2015 period. The results are statistically and economically significant and do not appear to be consistent with time-varying risk premia.

Dr. Georgios Skoulakis is an Assistant Professor in the Finance division of the Sauder School of Business at the University of British Columbia, and an IF^FR Fellow. His research focuses on empirical asset pricing, financial econometrics, and portfolio choice. His publications have appeared in journals such as the *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Econometrics*, *Journal of Business and Economics Statistics*, and the *Mathematics and Financial Economics*. Dr Skoulakis holds a Ph.D. in Finance from Northwestern University and a Ph.D in Statistics from the University of North Carolina at Chapel Hill.

To attend the event, advance registration is required by Friday February 8, 2019. To register, please e-mail contact@iffr.gr by providing your name, e-mail and affiliation. Registrations are on a first-come, first-served basis. Attendance of the event is free of charge. To enter in the venue, you will need to present your identity card or passport to the security.