

# Christian Skov Jensen — Curriculum Vitae

Copenhagen Business School  
Department of Finance and FRIC  
Solbjerg Plads 3  
2000 Frederiksberg, Denmark

Email: csj.fi@cbs.dk  
Phone: (+45) 31359333  
Website: sites.google.com/view/csjsen

## Education

### Copenhagen Business School, Department of Finance

Ph.D. in Finance, 2018 (expected)  
M.Sc. in Mathematics-Economics, 2013  
B.Sc. in Mathematics-Economics, 2010

### The London School of Economics and Political Science

Visiting Ph.D. student, sponsor: Prof. Ian Martin, 2017

### University of Toronto, Rotman School of Management

Visiting Ph.D. student, sponsor: Prof. Peter Christoffersen, 2015

## Research interests

Asset pricing, fintech, financial econometrics, financial economics

## Research

### *Higher-Moment Risk* (my job market paper)

- with Niels Joachim Gormsen

We show how the market's higher order moments can be estimated *ex ante* using methods based on Martin (2017). These *ex ante* higher order moments predict future realized higher order moments, whereas trailing realized moments have little predictive power. Higher-moment risks move together in the sense that skewness becomes more negative when kurtosis becomes more positive. In addition, higher-moment risk is high when volatility is low, suggesting that risk doesn't go away – it hides in the tails. Higher-moment risk has significant implications for investors; for example, the tail loss probability of a volatility-targeting investor varies from 3.6% to 9.7%, entirely driven by changes in higher-moment risk. We empirically analyze the economic drivers of these risks, such as financial intermediary leverage, market and funding illiquidity, and potential bubbles.

### *Generalized Recovery* (**Journal of Financial Economics**, forthcoming)

- with David Lando and Lasse Heje Pedersen

We characterize when physical probabilities, marginal utilities, and the discount rate can be recovered from observed state prices for several future time periods. We make no assumptions of the probability distribution, thus generalizing the time-homogeneous stationary model of Ross (2015). Recovery is feasible when the number of maturities with observable prices is higher than the number of states of the economy (or the number of parameters characterizing the pricing kernel). When recovery is feasible, our model allows a closed-form linearized solution. We implement our model empirically, testing the predictive power of the recovered expected return and other recovered statistics.

### *Conditional Risk*

- with Niels Joachim Gormsen (*his job market paper*)

We present a new direct methodology to study conditional risk, that is, the extra return compensation for time-variation in risk. We show theoretically that the conditional part of the CAPM can be captured by augmenting the standard market model with a conditional-risk factor, which is a specific market timing strategy. Both in the U.S. and global sample covering 23 countries, all major equity risk factors load on our conditional-risk factor, implying that each factor has a higher conditional market beta when the market risk premium is high or the market variance is low. Accordingly, these factor returns can be partly explained by conditional risk. Studying the economic drivers of these results, we find evidence that conditional risk arises from variation in discount-rate betas (not cash-flow betas) due to the endogenous effects of arbitrage trading.

*Short Sale Costs Predict Volatility* (draft available on request)  
- with Mads Vestergaard Jensen

As a new test of models of differences of opinions, we study how shorting markets interact with equity volatility. We identify positive (negative) demand shifts for shorting of stocks by simultaneous increases (decreases) in short-sale costs and short interest. Consistent with an increase in differences of opinions, a positive (negative) demand shift, on average, predicts a volatility that is 2.8 (3.9) percentage points higher (lower) over the next quarter. Event studies show that average volatilities of stocks hit by supply or demand shifts are higher than for other stocks, and volatilities peak around the time of shifts. We also find that future volatility increases with both increases and the level of short-sale costs and short interest.

*Deep Learning about the Market* (work in progress)  
- with Peter Christoffersen and Horatio Cuesdeanu

## My Paper Presentations

2017: American Finance Association (Chicago, USA)

2016: European Finance Association (Oslo, Norway); Society of Economic Dynamics (Toulouse, France); Nordic Finance Ph.D. Workshop (Bergen, Norway)

2015: University of Toronto; HEC McGill Winter Finance Workshop (Quebec, Canada); University of Konstanz; Danish Graduate Programme in Economics Workshop (Sønderborg, Denmark)

## Teaching

### Lecturer:

Corporate Finance, 2016, teaching evaluation 4.4/5

### Teaching Assistant: 2010-2013

Probability Theory and Statistics

Generalized Linear Models

Linear Algebra and Mathematical Analysis

Advanced Linear Algebra and Mathematical Analysis

### Supervision: 2014-present

B.Sc. and M.Sc. theses in finance

## Non-Academic Experience

Ørsted, 2011-2012, Student assistant, Group Treasury, Denmark

PA Consulting, 2011, External consultant, Denmark

## Other Skills

Software: Stata, SQL, SAS, Matlab, R, Mathematica

Language: Danish (native), English (fluent)

## References

### Peter Christoffersen

University of Toronto

Rotman School of Management

105 St. George Street 473

Toronto, ON, Canada, M5S 3E6

Email: peter.christoffersen@rotman.utoronto.ca

### Ian Martin

The London School of Economics and Political Science

Department of Finance

Houghton Street, London

WC2A 2AE, UK

Email: i.w.martin@lse.ac.uk

### Lasse Heje Pedersen (main supervisor)

Copenhagen Business School

Department of Finance

Solbjerg Plads 3

DK-2000 Frederiksberg, Denmark

Email: lhp.fi@cbs.dk