

NICOLA BORRI

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PROFESSIONAL EXPERIENCE

Assistant Professor, Department of Economics and Business, LUISS Guido Carli (2009 –)

EDUCATION

Ph.D., Economics, Boston University, Boston MA, July 2009
M.A., Economics, Bocconi University, Italy, 2002
B.A., Economics (*summa cum laude*), Bocconi University, Italy, 2001
Visiting student, University of British Columbia, Sauder School of Business, Canada, 2000

FIELDS OF INTEREST

Financial Economics, International Economics, Macroeconomics

TEACHING EXPERIENCE

Instructor, Monetary and Banking Theory, Boston University, Spring 2009
Instructor, International Economics, Boston University, Fall 2008, Fall and Spring 2007
Instructor, International Finance, Boston University, Spring and Summer 2008, Summer 2007
Instructor, Money and Banking, Lasell College, Spring 2005

WORK EXPERIENCE

Research Assistant for Professor Diego Comin, Harvard Business School, 2008
Project: Japanese Medium-Term Cycle and the 1990 Stagnation

Research Assistant for Professor Maristella Botticini, Boston University 2004-2007
Project: Development of database for: *The Price of Love: Marriage Markets and Intergenerational Transfers in Comparative Perspective*, Princeton University Press (forthcoming)

Research Assistant for Professor Marianne Baxter, Boston University, Spring 2003

FELLOWSHIPS AND AWARDS

Senior Teaching Fellow, Boston University, 2007-2008
Coadiutore Fellowship, Bank of Italy, 2006
Bonaldo Stringher Scholarship, Bank of Italy, 2002-2004
Fondazione Invernizzi Scholarship, 2001
Bocconi University Gold Medal for Best Graduates, 2001

WORKING PAPERS

“Sovereign Risk Premia,” October 2008, Job Market Paper (with Adrien Verdelhan)

“Closed-End Funds Discounts and Aggregate Risk,” 2008 (with Adrien Verdelhan)

“Japan Medium-Term Cycle,” 2008 (with Diego Comin)

CONFERENCES AND PRESENTATIONS

2010: AFA (scheduled).

2008/09: EEA-ESEM (scheduled), Econometric Society NASM (scheduled), Ecole Polytechnique Federale Lausanne, Warwick Business School, Luiss, Bank of Italy, Ecole Polytechnique, Institute for Advanced Studies Vienna, Green Line Macro Meeting, Boston College, Macroeconomics Dissertation Workshop, Boston University.

LANGUAGES: Italian (native), English (fluent), German (fair)

COMPUTER SKILLS: Matlab, Dynare, AIM, Latex

CITIZENSHIP/VISA: ITALY/F1

REFERENCES

Professor Adrien Verdelhan

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Professor Diego Comin

Harvard Business School

Morgan Hall 269

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NICOLA BORRI

Sovereign Risk Premia (Job Market Paper) (with Adrien Verdelhan)

Emerging countries tend to default when consumption is low. If bad times in the emerging country correspond to bad times for the US investor, then sovereign bonds are particularly risky and should offer higher returns. We explore this mechanism in the data and in a general equilibrium model of optimal borrowing and default. Empirically, we obtain a cross-section of sovereign bond returns: the higher the correlation between past bond returns and the US corporate default risk, the higher the future bond return. A model with risk-averse lenders and external habit preferences can replicate this feature. Matching the magnitude of the cross-section requires investors' risk aversion to be counter-cyclical.

Closed-End Funds Discounts and Aggregate Risk (with Adrien Verdelhan)

Closed-end fund market prices differ substantially from their net asset values (NAV), offering time-varying, positive or negative, discounts. We build portfolios of monthly closed-end fund returns by sorting these funds on their NAV discounts. We obtain a monotonically decreasing cross-section of average excess returns. The annualized Sharpe ratio on a simple strategy that goes long in the lowest and short in the highest NAV discount basket is 0.8. We show that return-based risk factors explain a large share of this cross-section of excess returns. As a result, closed-end fund discounts reflect aggregate risks that are not embodied in their NAVs.

Japanese Medium-Term Cycle (with Diego Comin)

Two aspects of Japanese stagnation in the 1990s are its severity and persistence. We build a two-country real business cycle model with endogenous productivity, as in Comin and Gertler (2006), to study the importance of foreign factors such as technology, competition and trade policy in shaping the Japanese medium-term cycle. The model predicts that high frequency domestic or international real shocks are propagated into the medium term by the endogenous development of new technologies.