

Pouya Behmaram

PHD CANDIDATE · IN FINANCE

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Research Interests: Asset Pricing / Mutual Funds / Performance Evaluation / Sustainable Finance

Education

McGill University

PHD FINANCE

Montreal, Canada

2018 - Expected 2024

London School of Economics and Political Science

MSC FINANCE AND ECONOMICS

London, UK

2016 - 2017

McGill University

BCOM FINANCE AND MATHEMATICS, WITH DISTINCTION

Montreal, Canada

2013 - 2016

Job market paper

From Realized to Expected: The Passive Investing Impact

In the recent shift towards passive investments, heavily indexed stocks have exhibited notable gains. Using the 'Indexing Inclusion ratio' (IXI) to measure passive ownership, my study demonstrates that these stocks' prominent performance is more driven by the influx in passive capital flows than their intrinsic expected returns. Analyzing the expected return both ex-ante through implied costs of capital and ex-post by adjusting for passive flows and earnings anomalies, I suggest a more conservative future perspective for high-indexed stocks' returns. Additionally, my research links the recent underperformance of value and small-cap stocks to wider passive shifts, emphasizing the significance of transient market dynamics in stock assessment.

Working papers

Elasticity in the Age of Passive Investing: A Demand-Based Approach

I study the impact of the shift towards passive products on asset prices and price elasticity using both price and portfolio holding data, and apply it to the US stock market. The study finds that the price elasticity of demand has decreased significantly across all investor types and that the passive demand pressure has been primarily directed toward larger-cap stocks. The findings suggest that the rise in passive investing has contributed approximately 15% to the overall inelasticity of demand for stocks.

WORK IN PROGRESS

How do active funds react to the rise of passive management

(with Laurent Barras and David Schumacher)

We use a granular fund by fund approach to capture the heterogeneous impacts of the increase in passive investing over active investing through their exposure to three main channels of learning effects about skill, the effect of the rise of passive investing on noise traders, and the decrease in the index price efficiency.

Climate Concerns and Market Dynamics: The Demand Shift in ESG Asset Pricing

(with Evan Jo)

Using Kojien and Yogo's demand-based asset pricing framework, we delve into the ramifications of the surge in climate change awareness on investment decisions. Our exploration reveals that the intensified shift towards

ESG-aligned assets has led to noticeable changes in market elasticity, with a pronounced inelastic demand for ESG stocks. This transition not only reconfigures investor holdings but also impacts stock prices, elevating ESG-compliant stocks to significant premiums. This study stands as a testament to the transformative power of climate-conscious sentiment in contemporary investment dynamics.

Teaching

2023	Applied Corporate Finance (undergraduate) , Lecturer	McGill University
2018-2021	Mergers & Acquisitions (Graduate, MBA, undergraduate) , TA for David Schumacher	McGill University
2018-2021	Capital Markets & Financial Institutions (Undergraduate) , TA for Laurent Barras	McGill University
2018	Financial Derivatives (Undergraduate, MBA) , TA for Patrick Augustin	McGill University

Awards, Fellowships, & Grants

2020-2023	SSHRC Doctoral Fellowship , SSHRC
2020-2023	Joseph-Armand Bombardier Doctoral Scholarship , SSHRC
2018-2023	Doctoral Fellowship , McGill University
2018-2019	National Bank Financial Group Fellowship , National Bank of Canada
2018	Graduate Excellence Award , McGill University
2013-2016	Dean's Honor List , McGill University
2013	French Language Award Bursary , Government of Quebec

Presentations

2023: FMA, Doctoral Student Consortium, (*sched*)
2023: FMA, Special PhD Paper Presentations, (*sched*)
2022: McGill Brownbag Seminar, (*sched*)
2022: McGill 1st FRG, Working Paper Presentations

Additional Information

Programming: R, Python, SQL, SAS, MATLAB, \LaTeX

Languages: English (native), Persian (native)

Citizenship: Canadian

Interests: F1, Opera, Cooking, Geopolitics

References

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