

## LIUREN WU

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RESEARCH INTERESTS Option pricing; credit risk and term structure modeling;  
market microstructure; international finance; asset pricing; asset allocation.

ACADEMIC EXPERIENCE **BARUCH COLLEGE, CUNY** New York, NY  
**Zicklin School of Business**  
2009-present Professor of Economics and Finance  
2003-2008 Associate Professor of Economics and Finance

**FORDHAM UNIVERSITY**  
**Graduate School of Business** New York, NY  
1998-2003 Assistant Professor of Finance

INDUSTRY EXPERIENCE **BLOOMBERG** New York, NY  
**Quantitative research**  
2003-present Consultant, model development and implementation

**AUTOMATED TRADING DESK** Mt. Pleasant, SC  
2007 Consultant, options market making

**ACOS CAPITAL MANAGEMENT** New York, NY  
2006 Consultant, equity strategies

**MORGAN STANLEY** New York, NY  
2004 Consultant, risk management

**CASPIAN CAPITAL MANAGEMENT** New York, NY  
2002-2003 Consultant, risk management, fixed income strategies

EDUCATION **NEW YORK UNIVERSITY** New York, NY  
**Leonard N. Stern School of Business**  
1998 Master of Philosophy, International Finance and Economics

**CHINESE ACADEMY OF SCIENCES** Beijing, CHINA  
**Institute of Chemistry**  
1994 Ph.D., Polymer chemistry and physics

**BEIJING INSTITUTE OF TECHNOLOGY** Beijing, CHINA  
1991 Master of Science, Chemical Engineering  
1988 Bachelor of Science, Chemical Engineering

## PUBLICATIONS

*Variance Risk Premia* (with Carr), **Review of Financial Studies**, forthcoming.

*Term Structure of Interest Rates, Yield Curve Residuals, and the Consistent Pricing of Interest Rate Derivatives* (with Heidari), **Journal of Financial and Quantitative Finance**, forthcoming.

*A No-Arbitrage Analysis of Economic Determinants of the Credit Spread Term Structure* (with Zhang), **Management Science**, 2008, 54(6), 1160-1175.

*Time-Varying Arrival Rates of Informed and Uninformed Trades* (with Easley, O'Hara, and Engle), **Journal of Financial Econometrics**, 2008, 6(2), 171-207.

*Stochastic Risk Premiums, Stochastic Skewness in Currency Options, and Stochastic Discount Factors in International Economies* (with Bakshi and Carr), **Journal of Financial Economics**, 2008, 87(1), 132-156.

*Price Discovery in the U.S. Stock Options Market* (with Simaan), **Journal of Derivatives**, 2007, 15(2), 20-38. (Reprinted in **Journal of Trading**, 2008, 3(1), 68-86.)

*Stochastic Skew in Currency Options* (with Carr), **Journal of Financial Economics**, 2007, 86(1), 213-247.

*International Capital Asset Pricing: Evidence from Options* (with Mo), **Journal of Empirical Finance**, 2007, 14(4), 465-498.

*Theory and Evidence on the Dynamic Interactions Between Sovereign Credit Default Swaps and Currency Options* (with Carr), **Journal of Banking and Finance**, 2007, 31(8), 2383-2403.

*Design and Estimation of Multi-Currency Quadratic Models* (with Leippold), **Review of Finance**, 2007, 11(2), 167-207.

*Price Discovery in the U.S. Stock and Stock Options Markets: A Portfolio Approach* (with Holowczak and Simaan), **Review of Derivatives Research**, 2006, 9, 37-65.

*Dampened Power Law: Reconciling the Tail Behavior of Financial Security Returns*, **Journal of Business**, 2006, 79(3), 1445-1474.

*A Tale of Two Indices* (with Carr), **Journal of Derivatives**, 2006, 13(3), 13-29.

*Taking Positive Interest Rates Seriously* (with Pan), **Advances in Quantitative Analysis of Finance and Accounting**, 2006, 4(14), 327-356. Reprinted in *Handbook of Quantitative Finance and Risk Management*, 2009, Eds. C.-F. Lee and A.C. Lee, Springer.

*Modeling Financial Security Returns Using Levy Processes*, forthcoming in **Handbook of Financial Engineering**, 2008, Eds. John Birge and Vadim Linetsky.

*A Comprehensive Analysis of the Short-Term Interest Rate Dynamics* (with Bali), **Journal of Banking and Finance**, 2006, 30(4), 1269-1290.

*Crash-O-Phobia: A Domestic Fear or A Worldwide Concern?* (with Foresi), **Journal of Derivatives**, 2005, 13(2), 8-21.

*Specification Analysis of Option Pricing Models Based on Time-Changed Lévy Processes* (with Huang), **Journal of Finance**, 2004, 59(3), 1405-1439.

*Time-Changed Lévy Processes and Option Pricing* (with Carr), **Journal of Financial Economics**, 2004, 27(1), 113-141.

*What Type of Process Underlies Options? A Simple Robust Test* (with Carr), **Journal of Finance**, 2003, 58(6), 2581-2610.

*Finite Moment Log Stable Process and Option Pricing* (with Carr), **Journal of Finance**, 2003, 58(2), 753-777.

*Are Interest Rate Derivatives Spanned by the Term Structure of Interest Rates?* (with Heidari), **Journal of Fixed Income**, 2003, 13(1), 75-86.

*Design and Estimation of Quadratic Term Structure Models* (with Leippold), **European Finance Review**, 2003, 7(1), 47-73.

*Jumps and Dynamic Asset Allocation*, **Review of Quantitative Finance and Accounting**, 2003, 20(3), 207-243.

*Asset Pricing Under the Quadratic Class* (with Leippold), **Journal of Financial and Quantitative Analysis**, 2002, 37(2), 271-295.

*Predictable Changes in Yields and Forward rates* (with Backus, Foresi, and Mozumdar), **Journal of Financial Economics**, 2001, 59(3), 281-311.

- **Credit Risk and Term Structure Modeling**

*Predictability of Interest Rates and Interest Rate Portfolios* (with Bali and Heidari), **Journal of Business and Economic Statistics**, revise and resubmit.

*Market Anticipation of Fed Policy Changes and the Term Structure of Interest Rates* (with Heidari), **Review of Finance**, revise and resubmit.

*Stock Options and Credit Default Swaps: A Joint Framework for Valuation and Estimation* (with Carr)

*Dynamic Interactions Between Interest Rate, Credit, and Liquidity Risks: Theory and Evidence from the Term Structure of Credit Default Swap Spreads* (with Chen and Cheng)

*Systematic Movements in Macroeconomic Releases and the Term Structure of Interest Rates* (with Lu)

*What Constitute a Good Model? An Analysis of Models for Mortgage Backed Securities* (with Chen and Heidari)

- **Option Pricing**

*The Term Structure of Variance Swap Rates and Variance Swap Investments* (with Egloff and Leippold), **Journal of Financial and Quantitative Analysis**, revise and resubmit.

*Static Hedging of Standard Options* (with Carr), **Review of Financial Studies**, revise and resubmit.

*Variance Dynamics: Joint Evidence from Options and High-Frequency Returns*, **Journal of Econometrics**, revise and resubmit.

*Leverage Effect, Volatility Feedback, and Self-Exciting Market Disruptions: Disentangling the Multi-Dimensional Variations in S&P 500 Index Options* (with Carr).

*A Simple Robust Link between American Puts and Credit Insurance* (with Carr).

*What Drives Stochastic Volatility? Evidence from Variance Swaps and Log Profiles* (with Carr).

*Investor Irrationality and the Nasdaq Bubble* (with Bakshi)

- **International Finance**

*Real Exchange Rates and Economic Fundamentals: Toward a Resolution of the PPP Puzzle* (with Goswami and Shrikhande), **Review of Financial Studies**, revise and resubmit.

*The Role of Exchange Rates in the Intertemporal Risk-Return Relation in International Economies* (with Bali), **Journal of International Money and Finance**, revise and resubmit.

*Uncovered Interest Rate Parity Over the Past Two Centuries* (with Lothian)

*Imports, Exports, Dollar Exposures, and Stock Returns* (with Chakraborty and Tang).

- **Asset Pricing**

*Market Pricing of Economic Risks and Stock Returns* (with Tang)

#### CLASSES TAUGHT

*Financial Management, Financial Decision Making, Financial Environments, Managerial Finance, Derivatives Markets, Option Pricing (doctoral class), Fixed Income Securities, Internship in Finance.*

EDITORIAL Associate Editor, Review of Derivatives Research, 2007  
Editorial Board, Banks and Bank Systems, 2007

REFEREEING *Journal of Finance, Review of Financial Studies, American Economic Review, Econometrica, Journal of Financial and Quantitative Analysis, Journal of International Economics, Journal of Empirical Finance, Journal of Business, Management Science, Journal of Monetary Economics, Mathematical Finance, Journal of Business and Economic Statistics, Journal of Money, Credit and Banking, Journal of Banking and Finance, Journal of Econometrics, Journal of International Money and Finance, Journal of Economic Dynamics and Control, Finance & Stochastics, Risk, Journal of Futures Markets, Review of Derivatives Research, Financial Analysts Journal, International Journal of Theoretical and Applied Finance, Review of Economics and Statistics, Review of Finance, Quantitative Finance, Spanish Economic Review, Review of Quantitative Finance and Accounting, Review of Pacific Basin Financial Markets and Policies, Annual Research Conference in Financial Risk, Financial Management Association meetings.*

REFERENCES Peter Carr, Courant Institute, New York University and Bloomberg LP;  
(212) 893-5056; [pcarr@nyc.rr.com](mailto:pcarr@nyc.rr.com)

Robert Engle, Stern School of Business, New York University;  
(212) 998-0713; [rengle@stern.nyu.edu](mailto:rengle@stern.nyu.edu)

David Backus, Stern School of Business, New York University;

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