



EHUD I. RONN, PH.D.

CURRENT POSITION

University of Texas at Austin
Professor of Finance (1996 - present)

Finance Scholars Group
Academic Affiliate (2011 - present)

PAST POSITIONS

University of Texas at Austin
Jack S. Josey Professor in Energy Studies (2000 - 2002)

University of Texas at Austin
Associate Professor of Finance (1988 - 1996)

European Business School, London England
Permanent Visiting Professor of Finance (2001 - 2006)
Adjunct Professor of Finance (2006 - 2010)

Helsinki School of Economics and Business Administration, Helsinki, Finland
Visiting Associate Professor of Finance (1991)

University of Chicago, Chicago, Illinois
Visiting Assistant and Associate Professor of Finance (1987 - 1988)

University of California at Berkley, Berkley, California
Assistant Professor of Finance (1982 - 1988)

Morgan Stanley & Co.
Executive Director of Commodity Market Modeling (2010 - 2011)

Merrill Lynch & Co.
Vice President of Trading Research Group (1991 - 1993)

EDUCATION AND PROFESSIONAL CERTIFICATION

Ph.D., Finance, Stanford University, 1991

MS, Economics, Technion (Israel), 1978



BS, Economics, Technion (Israel), 1976

PUBLISHED ARTICLES

“Intra-Day Risk Premia in European Electricity Forward Markets” (with J. Wimschulte), forthcoming, *Journal of Energy Markets*, 2009.

“Valuation of a Natural Gas Storage Facility” (with M. Kjaer), forthcoming, *Journal of Energy Markets*, 2008.

“A Simple Model for Time-Varying Expected Returns on the S&P 500 Index” (with J. Doran and R. Goldberg), forthcoming, *Journal of Investment Management*.

“The Impact of Large Changes in Asset Prices on Intra-Market Correlations in the Domestic and International Markets” (with A. Sayrak and S. Tompaidis), forthcoming, *Financial Review*, 2008.

“Computing the Market Price of Volatility Risk in the Energy Commodity Markets” (with J. Doran), Special Issue on Commodities, *Journal of Banking and Finance*, forthcoming 2008.

“Estimating the Commodity Market Price of Risk for Energy Prices” (with S. Kolos), forthcoming, *Energy Economics*, 2008.

“The Bias in Black-Scholes/Black Implied Volatility: An Analysis of Equity and Energy Markets” (with J. Doran), *Review of Derivatives Research*, Volume 8, Issue 3, 2005 (Publication year: 2006).

“Valuation of Commodity-Based ‘Swing’ Options” (with P. Jaillet and S. Tompaidis), *Management Science*, 2004 (Preliminary draft of part I published in *Energy & Power Risk Management*, Vol. 3, No. 3, June 1998, pp. 14-16 and part II in July 1998 issue, pp. 28-29).

“Analyzing the Risks Inherent in the Procter & Gamble – Bankers Trust Levered Swap Contract” (with C. Dincerler and J. Martin), **Advances in Financial Planning and Forecasting**, edited by Cheng-Few Lee, Elsevier Science, 2001, Vol. 10, pp. 243-256.

“On the Relationship between Expected Returns and Implied Volatility of Interest Rate Dependent Securities” (with P. Wadhwa), *Journal of Portfolio Management*, Vol. 24, No. 3, Spring 1998, pp. 93-109.

“Callable U. S. Treasury Bonds: Optimal Calls, Anomalies, and Implied Volatilities” (with R. Bliss), *Journal of Business*, Vol. 71, No. 2, April 1998, pp. 211-252.

“The Valuation of Default Risk in Corporate Bonds and Interest Rate Swaps” (with S. Nielsen), **Advances in Futures and Options Research**, Volume 9, 1997, pp. 175-196.

“An Empirical Estimate of the Prepayment Option Value in Fixed-Rate GNMA Mortgage-Backed Securities” (with P. Rubinstein and F.-S. Pan), *Journal of the American*



Real Estate and Urban Economics Association, Spring 1995, Vol. 23, 1, pp. 1-20.

“Debt and Market Incompleteness” (with L. Senbet), *Journal of Banking and Finance*, Vol. 19, No. 6, 1995.

“A Characterization of the Daily and Intra-Day Behavior of Returns on Options” (with A. Sheikh), *Journal of Finance*, Vol. 94, No. 2, June 1994, pp. 557-580.

“Debt and Market Incompleteness” (with L. Senbet), *Journal of Banking and Finance*, Vol. 19, No. 6, 1995.

“A Characterization of the Daily and Intra-Day Behavior of Returns on Options” (with A. Sheikh), *Journal of Finance*, Vol. 94, No. 2, June 1994, pp. 557-580.

“A Non-Stationary Trinomial Model for the Valuation of Options on Treasury Bond Futures Contracts” (with R. Bliss), *Journal of Futures Markets*, Vol. 14, No. 5, August 1994, pp. 597-617 (Published in monograph form as **A New Method for Valuing Treasury Bond Futures Options**, Association for Investment Management and Research, Financial Analysts Federation, 1992).

“The Pricing of FIREARMs (‘Falling Interest Rate Adjustable Rate Mortgage’)” (with B. Flesaker), *Journal of Real Estate Finance and Economics*, Vol. 6, pp. 251-275, May 1993.

“The Valuation of Options on Eurodollar Futures Contracts using Non-Stationary Arbitrage-Free Models” (with H. Han), *Journal of Fixed Income*, Vol. 1, No. 3, December 1991, pp. 60-73.

“A Simple Time-Varying Binomial Model for the Valuation of Interest Rate-Contingent Claims” (with R. Sias) (previously entitled “The Valuation of Options on the Short-Term Interest Rate”), **Advances in Futures and Options Research**, Vol. 5, 1991, pp. 89-111.

“Arbitrage-Based Estimation of Non-Stationary Shifts in the Term Structure of Interest Rates” (with R. Bliss), *Journal of Finance*, Vol. 44, No. 3, July 1989, pp. 591-610 (Preliminary draft published in *Proceedings, Seminar on the Analysis of Security Prices*, Center for Research in Security Prices, May 1988).

“The Box Spread Arbitrage Condition: Theory, Tests and Investment Strategies” (with A. Gerbarg Ronn), *Review of Financial Studies*, Issue I, Volume II, 1989 (Also published in the *Proceedings, Seminar on the Analysis of Security Prices*, Center for Research in Security Prices, November 1987).

“Inflation Futures and a Riskless Real Interest Rate” (with B. Flesaker), *Review of Futures Markets*, Vol. 7, No. 1, May 1988, pp. 36-67.

“Capital Adequacy Standards for a Sample of 43 Major Banks” (with A. Verma), *Journal of Banking and Finance*, Vol. 13, No. 1, 1989, pp. 21-29 (Also published in *Proceedings, Bank Structure and Competition*, Federal Reserve Bank of Chicago, May 1988).



“Non-Additive Preferences and the Marginal Propensity to Consume,” *American Economic Review*, Vol. 78, No. 1, March 1988, pp. 216-223.

“A Multi-Attribute Comparative Evaluation of Relative Risk for a Sample of Banks” (with A. Verma), *Journal of Banking and Finance*, Vol. 11, 1987, pp. 499-523.

“A New Linear Programming Approach to Bond Portfolio Management,” *Journal of Financial and Quantitative Analysis*, Vol. 22, No. 4, December 1987, pp. 439-466.

“On the Rationality of Common Stock Return Volatility,” *Financial Review*, Vol. 21, No. 4, November 1986, pp. 355-381.

“Pricing Risk-Adjusted Deposit Insurance: An Option-Based Model” (with A. Verma), *Journal of Finance*, XL1:4 (September 1986), pp. 871-895.

“A Utility-Based Model of Common Stock Price Movements” (with R. Litzenberger), *Journal of Finance*, XLI:1(March 1986), pp. 67-92.

“The Substitution of Capital, Labor and Energy in the Israeli Economy” (with A. Melnik), *Resources and Energy*, 3 (November 1981), pp. 247-258.

BOOK EDITOR

Real Options and Energy Management: Using Options Methodology to Enhance Capital Budgeting Decisions, 2002, Risk Books, London

CHAPTERS IN BOOKS

“Was Enron’s Business Model Fundamentally Flawed?,” in Michael Frenkel, Ulrich Hommel and Markus Rudolf (eds.), **Risk Management: Challenge and Opportunity** (2nd. edition), 2004.

“Valuation of Oil Fields as Optimal Exercise of the Extraction Option,” in Vincent J. Kaminski (ed.), **Managing Energy Price Risk** (3rd. Edition), Risk Books, London, 2004.

“A Two-Factor Model for the Valuation of the T-Bond Futures Contract’s Embedded Options” (with S. Nielsen), in Frank J. Fabozzi (ed.), **Advances in Fixed-Income Valuation Modeling and Risk Management**, New Hope, PA., 1997, pp. 135-152.

“Tax Effects in U. S. Government Bond Markets” (with Y. Shin), in Frank J. Fabozzi (ed.), **Advances in Fixed-Income Valuation Modeling and Risk Management**, New Hope, PA., 1997, pp. 233-250.

“Options on Treasury Bond Futures Contracts” (with K. Toft), in Frank J. Fabozzi (ed.), Ch. 11, **Handbook of Fixed Income Options: Strategies, Pricing and Applications**, pp. 261-281, 1996.

“A Model for the Valuation of Callable Bonds,” in Frank J. Fabozzi (ed.), Ch. 10, **Handbook**



of Fixed Income Options: Strategies, Pricing and Applications, pp. 245-259, 1996.

“Changes of Asset Composition and the Performance of Mutual Funds” (with U. Ben-Zion and D. Rotem), in Zvi Zussman and Moshe Felber (eds.), **Studies in the Israel Economy** 1981, Jerusalem, 1983, pp. 187-208.

“Testing the Causality of Policy Variables in Israel” (with U. Ben-Zion), in Nadav Halevy and Jacob Kop (eds.), **Studies in the Israel Economy, Maurice Falk Institute for Economic Research in Israel**, Jerusalem, 1977, pp. 149-61.

PRACTITIONER PUBLICATIONS

“Modeling the Correlation Function in the Crude-Oil Futures Market,” forthcoming, *Energy Risk*, 2009.

“Modeling the Correlation Matrix of Natural Gas Futures Returns” (with M. Kjaer), *Energy Risk*, Nov. 2006, pp. 60 – 66.

“Hedging Long-Dated Oil Futures Contracts: An Empirical Investigation” (with C. Xuan), *Energy & Power Risk Management*, Vol. 3, No. 2, May 1998, pp. 26-29).

“Vega-Hedging: An Antidote for Model Misspecification” (with C. Xuan), *The MFA Reporter*, 1996, and *Derivatives Week*, Aug. 18, 1997.c

WORK IN PROGRESS

“The Valuation and Informational Content of Options on Crude-Oil Futures Contracts” (with J. Glenn Andrews), Working Paper, University of Texas at Austin, June 2009

“Valuation of a New Class of Commodity-Linked Bonds with Partial Indexation Adjustments” (with T. Kirschenmann), Working Paper, University of Texas at Austin, Jan. 2009

“Pricing Credit-Rated Defaultable Coupon Bonds” (with R. Jagannathan), Working Paper, University of Texas at Austin, Dec. 2010

“Valuation of Credit Derivatives, and Credit Value-at-Risk, for the Energy Industry,” Working Paper, University of Texas at Austin, April 2007

“Managing Long and Short Price-and-Quantity Exposure at the Corporate Level” (with S. Kolos), Working Paper, University of Texas at Austin, Dec. 2007

SEMINAR PRESENTATIONS (2003 –)

“Challenges in Energy Risk Management”: Keynote Address, Texas Quantitative Finance Festival, Nov. 2010

“The Valuation and Informational Content of Options on Crude-Oil Futures Contracts”:



- Vienna Graduate School of Finance, June 2009
 - European Business School, June 2009
 - Center for Advanced Research in Finance, Tokyo University, June 2009
 - Madrid Finance Workshop, Oct. 2009
 - Twentieth Financial Economics and Accounting Conference, Nov. 2009
 - Centre de Recherche Mathématique, McGill University, March 2010
 - Industrial-Academic Forum on Commodities, Energy Markets, and Emissions Trading, Fields Institute, April 2010
- “Intra-Day Risk Premia in European Electricity Forward Markets”: Eighteenth Annual Derivatives Securities & Risk Management Conference, April 2008
- “The Crude-Oil/NatGas Markets: The Message from Markets”:
- Fuqua School of Business MBA International Retreat, July 2006
 - Invited keynote address to Canadian Applied and Industrial Mathematics Society — CAIMS * SCMAI 2007, May 2007
- “Energy Derivatives after . . . Dec. 2, 2001”: New York University Stern School of Business Conference “Derivatives 2007: New Ideas, New Instruments, New Markets,” May 2007
- “Valuation of Credit Derivatives, and Credit Value-at-Risk, for the Energy Industry”:
- CEMAF/ISCTE – NOVA 12th Anniversary Finance Conference, ISCTE Business School, Lisbon, March 2007
 - Third International Conference on Credit and Operational Risks, HEC Montréal, April 2007
- “Computing the Market Price of Volatility Risk in the Energy Commodity Markets”: CFC Commodities 2007 Academic Conference, Birbeck College University of London, January 2007
- “A Simple Model for Time-Varying Expected Returns on the S&P 500 Index”:
- Sixteenth Annual Derivatives Securities Conference, April 2006
 - Western Economic Association, July 2007
 - University of Twente, October 2007
 - Annual Symposium of the Financial Services Institute, St. John’s University, September 2008
- “Estimating the Commodity Market Price of Risk for Energy Prices”:
- Fourteenth Annual Derivatives Securities Conference, April 2004
 - Bachelier Finance Society Third World Congress, July 2004
 - European Business School, September 2005
- “Desirable Attributes of a Successful Electricity Forward Market”: Public Utility Commission of Texas Public Workshop on Forward Market Structure for the ERCOT Market, June 2003
- “Was Enron’s Business Model Fundamentally Flawed?” LBJ School of Public Affairs Conference on “Corporate Governance and Control Fraud,” April 2003
- “On the Market Price of Volatility Risk”:
- Federal Reserve Bank of Chicago, March 2003



- Southern Methodist University, April 2003
- Thirteenth Annual Derivatives Securities Conference, April 2003

- Financial Management Association Annual Meetings, October 2003
- Texas Christian University, October 2003
- Bachelier Finance Society Third World Congress, July 2004

AWARDS

Annual Symposium of St. John's University Financial Services Institute Best Paper Award: "A Simple Model for Time-Varying Expected Returns on the S&P 500 Index." Award presented at 2008 Symposium, New York City, September 2008

Selected by Energy Risk Magazine to "Energy Risk Hall of Fame," Nov. 2004

European Business School Teaching Excellence Award (Winter Term 2001/02), Silver
European Business School Teaching Excellence Award (Summer 2002), Gold
European Business School Teaching Excellence Award (Summer 2006)

1997 Texas Finance Symposium Best Paper Award: "Ex-Ante Inferences on Rates of Return to Capital Assets Implied in Their Market-Value Weights." Award presented at 1997 Symposium, Denton, TX, October 1997

1986 American Association of Individual Investor Award for Best Paper in Investments at June 1986 Western Finance Association Meetings: "A New Linear Programming Approach to Bond Portfolio Management." Award presented at 1986 Annual Meeting of the Western Finance Association, Colorado Springs, June 1986

1986 Earl F. Cheit Excellence in Teaching Award, University of California at Berkeley, San Francisco MBA Program. Award presented at 1986 Spring Banquet, San Francisco, April 1986.

GRANTS

"The Pricing of FIREARMS ('Falling Interest Rate Adjustable Rate Mortgage')": Prochnow Educational Foundation, February 1989

"Arbitrage-Based Estimation of Non-Stationary Shifts in the Term Structure of Interest Rates":

- Institute for Quantitative Research in Finance Grant, May 1988
- Research Foundation of the Institute of Chartered Financial Analysts Grant, July 1988

"A New Linear Programming Approach to Bond Portfolio Management": Institute for Quantitative Research in Finance Grant, September 1985

PROFESSIONAL SERVICE

Associate Editor, Review of Quantitative Finance and Accounting, 2001 –



Associate Editor, Energy Economics, 2001 –

Associate Editor, Journal of Energy Markets, 2007 –

Associate Editor, International Journal of Theoretical and Applied Finance, 2008 –

Associate Editor, Journal of Financial Services Research, 1999 – 2003

Associate Editor, Journal of Portfolio Management, 1996 – 2002

Member, Advisory Board, Handbook of Quantitative Finance & Risk Management, forthcoming 2009.

Director, Center for Energy Finance Education and Research (CEFER), McCombs School of Business, University of Texas at Austin, 1998 – 2009

Member, Program Committees, 1987 – 1993, 1995 and 2006 – 2011 Annual Meetings of the Western Finance Association.

Member, Program Committees, 1992, 1994, 1996, 2002, 2003, 2005, 2008 and 2009 Annual Meetings of the Financial Management Association.

Member, Program Committee, 10th Global Finance Conference 2003, European Business School

Member, Program Committee, 2002 Annual Meeting of the European Finance Association.

Member, Program Committee, 2007 – 2010 Annual Meetings of the European Financial Management Association.

Member, Program Committee, 2010 – 2011 FMA Asian Conference

Seminar Coordinator, 1989 Texas Finance Symposium.

Co-Chair, 1999 Tenth Annual Conference on Financial Economics and Accounting.

Secretary-Treasurer, Research Consortium on Financial Economics and Accounting, 2001

CONTACT INFORMATION

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