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Education

Copenhagen Business School *2017 – 2023*
Center for Financial Frictions (FRIC)
PhD in Financial Economics

University of Luxembourg *2021 – 2022*
Visiting Scholar, Sponsor: Roberto Steri

Wharton School of Business *2019 – 2020*
University of Pennsylvania
Visiting Scholar, Sponsor: Itay Goldstein

University of Cambridge *2013 – 2014*
Advanced Diploma in Economics

University of Warwick *2009 – 2013*
MPhys BSc (with honours) in Physics

Research Interests

Asset Pricing, Sustainable Finance, Financial Intermediation, Asset Management, Macro-Finance

Job Market Paper

6. [Skills and Sentiment in Sustainable Investing](#) (with Alexander Kronies).

Best Paper in Finance Award, Second BFGA Conference.

Presented at the fourth University of Oklahoma Energy and Climate Finance Research Conference co-sponsored by the Review of Financial Studies.

Abstract: We document a significant difference in the returns to sustainable investing across investor types. Investors with strict ESG mandates earn 3.1% less than flexible investors. The mechanism is that flexible investors are able to react on expected ESG improvements. Without engaging in activism, flexible investors buy stocks that subsequently experience ESG score increases. After ESG improvements have realized, demand from strict mandate investors pushes up stock prices, resulting in positive returns for flexible investors. A new climate sentiment measure shows that the performance gap is higher when accompanied by rising sentiment, as seen during the 2010s. Our channel accounts for 51% of the return difference between strict and flexible ESG investment mandates. Hence, going from backward to forward-looking ESG ratings could reduce both capital misallocation and wealth transfer from strict investors, such as pension funds, to more flexible investors, such as hedge funds.

Press: [CAIA Association](#)

Podcasts: [Rig på Viden, Episode 13 \(In Danish\)](#); [Rig på Viden, Episode 79 \(In Danish\)](#).

Presentations: 1st YSBC Sustainable Finance Conference, HEC Paris 6th Phd Workshop, CFA Meeting on ESG-Ratings and Sustainable Investing, American Finance Association Annual Meeting

Poster Session (AFA 2022), University of Luxembourg Seminar 2021, The Central Bank Research Association Annual Meeting (CEBRA 2021), Nordic Finance Network Young Scholars Finance Workshop (NFN 2020), 2nd Conference on Behavioral Research in Finance, Governance and Accounting (BFGA 2020), PhD Symposium of the 32nd Northern Finance Association Conference (NFA 2020), 19th Conference on Credit Risk Evaluation (CREDIT 2020), Becker Friedman Institute Macro-Finance Research Program Summer Session for Young Scholars (MFR 2020), Wharton PhD Brown Bag Series 2020.

Research Papers

5. **The Future of Emissions** (with Jules van Binsbergen).

Abstract: We argue for the introduction of firm-level emission futures contracts as a novel way of assessing the real impact of ESG initiatives. Our measure is based on the forward-looking market-based valuation of firm-level CO₂ emissions. We establish both theoretically and empirically that backward-looking subjective ratings are limited to the extent that they fail to capture future reductions in emissions. We show evidence that although lower emissions have predicted higher E ratings, higher E ratings have predicted higher, not lower, emissions. As such, by following these subjective ratings, investors may have inadvertently allocated their money to firms that pollute more, not less. We discuss several applications of our new measure, including executive pay and investment management.

4. **Corporate Asset Pricing** (sole author).

Abstract: I show the new fact that idiosyncratic volatility significantly predicts the convenience yield. This fact is hard to reconcile with current theories. I develop a new theory that reconciles this puzzle - a theory I label Corporate Asset Pricing (CAP). CAP is verified in the cross-section of firm holdings and has been an important driver at least since the 1920's. I provide causal interpretability by isolating my demand-based effect from confounders by using plausibly exogenous cross-sectional variation in corporation size and industry exposures. The results provide support for the importance of corporates as an investor class.

Presentations: American Economic Association Annual Meeting Poster Session (AEA 2022), 36th Congress of the European Economic Association and the Econometric Society European Meeting (EEA-ESEM 2021), Econometric Society Asian Meeting (2021), Nordic Finance Network PhD Workshop (NFN 2021), Copenhagen Business School Brown Bag PhD seminar (2021).

3. **Macroprudential Buffers: Trading Systemic Risk for Risk Premia** (sole author).

Abstract: I document that equity prices fall as macroprudential buffers are announced. This is consistent with macroprudential buffers leading to an increase in risk premia, from a heightened price of risk. Theoretically, I develop a model that predicts that as buffers are announced 1) The price of risk increases, 2) Systemic risk falls, and 3) Intermediaries' risky asset allocation decreases, as other agents with higher risk aversion increase their portfolio weights in the risky asset. Empirically, I find evidence consistent with the first and third prediction. The second remains a testable implication of my model. In summary, this paper sheds light on the equilibrium effects of implementing new financial regulation on asset prices and systemic risk.

Presentations: Wharton School at the University of Pennsylvania, PhD Nordic Finance Workshop, Poster Session at American Finance Association Annual Meeting (AFA), Copenhagen Business School.

2. **Identification and assessment of systemic risks in financial networks: Modelling fire sales from regulatory cliff effects** (with Graeme Cokayne), *Danmarks Nationalbank Working Paper*, Number 117.

Abstract: This paper investigates fire sales triggered by regulatory cliff effects induced by the

loss of Capital Requirements Regulation (CRR) compliance on covered bonds. The loss of CRR compliant status leads to banks holding these covered bonds to lose several regulatory advantages, one consequence being a lower solvency. In our analysis, following the loss of CRR compliance, banks sell off their covered bonds in a fire sale, in an attempt to return to their initial solvency, resulting in losses of equity for the system as a whole. Further, we find that, for price impacts larger than a critical threshold, even small shocks lead to explosive fire sales and large losses of equity. While these losses can be averted if the banks allow their solvency levels to fall temporarily, other regulations, such as those relating to large exposures to other banks, could still trigger similar fire sales.

Press: [Finans](#), [FinansWatch](#), [Danmarks Radio](#), [Danmarks Nationalbank](#)

Presentations: Financial Management Association (FMA) Europe (University of Agder), RiskLab (Bank of Finland), Bank of England, Copenhagen Business School, Lund University, Nykredit A/S, Danmarks Nationalbank.

Research in Progress

1. **The Market for Green Funds** (with François Koulischer and Michael Halling).

Abstract: We derive a model that predicts the rise of green investment funds. The model further explains how green funds have higher value-added, even though their alphas are lower than brown funds after controlling for rising sentiment. We go on to document the growth of green funds from 12% of managed equities in 2013 to 56% by 2021, where we circumvent issues of greenwashing by using the actual emissions of underlying holdings. Dissecting this growth, we find stark differences between North America and Europe, both in terms of magnitude and source of growth. The results provide support for a lower expected return for green funds going forward, and raises concerns regarding the investor share of value-added in green funds.

Presentations

(* indicates presentations by co-author. ** indicates Session Chair.)

29. Università di Bologna, 1st YSBC Sustainable Finance Conference	October 2022
28. HEC Paris, 6th Finance PhD Workshop	October
27. Copenhagen Business School, FRIC Final Event	September
26. Chartered Financial Analyst Society Denmark (CFA)	May
25. University of Oklahoma Energy and Climate Finance Research Conference*	April
24. American Finance Association Annual Meeting (AFA), PhD Poster Session	January
23. American Economic Association Annual Meeting (AEA), PhD Poster Session	January
22. University of Luxembourg, Seminar	November 2021
21. EEA-ESEM, 36th Congress of the European Economic Association	August
20. Econometric Society Asian Meeting**	June
19. Nordic Finance Network (NFN), PhD Workshop, Aarhus University	April
18. Copenhagen Business School, PhD Seminar	February
17. T. Rowe Price Investment Management	December 2020
16. NFN, Young Scholars Workshop, BI Norwegian Business School*	November
15. Behavioral Research in Finance, Governance, and Accounting Conference*	October
14. Northern Finance Association Meetings (NFA), PhD Symposium*	September
13. CREDIT, 19th Conference on Credit Risk Evaluation	–
12. Chicago, Becker Friedman Institute, Macro-Finance Research Program	July
11. Wharton, University of Pennsylvania, Virtual	April
10. Wharton, University of Pennsylvania	November 2019
9. NFN, PhD Nordic Finance Workshop, Aalto University	May
8. American Finance Association Annual Meeting (AFA), PhD Poster Session	January

7. Financial Management Association (FMA) Europe, University of Agder	June 2018
6. RiskLab, Bank of Finland*	May
5. Bank of England, Fire Sale Workshop*	April
4. Copenhagen Business School, PhD Day	March
3. Lund University*	October 2017
2. Nykredit Realkredit A/S	September
1. Danmarks Nationalbank	August 2016

Press

7. Podcast , Rig på Viden, Episode 79 (In Danish)	July 2022
6. Podcast , Rig på Viden, Episode 13 (In Danish)	December 2020
5. CAIA Association	June
4. Danmarks Nationalbank	August 2016
3. Danmarks Radio	June
2. FinansWatch	–
1. Finans	–

Honours and Awards

5. Best Paper Award, Behavioral Research in Finance, Governance, and Accounting Conference	2020
4. Princeton Initiative: Macro, Money and Finance Travel Grant	2019
3. PhD Scholarship Grant, Center of Financial Frictions (FRIC), grant no. DNRF102 2017-2023	
2. Warwick Renmin University Scholarship	2011
1. CEDIES Scholarship	2009-2014

Invited Workshops

8. Stanford Big Data Initiative in International Macro-Finance	August 2020
7. Oxford, Tools for Macroeconomists	August
6. Chicago, Becker Friedman Institute, Macro-Finance Research Program (MFR)	July
5. Princeton Initiative: Macro, Money, and Finance	Aug 2019
4. Nordic Finance Network, Aalto University	May
3. AFA, PhD Poster Session	January
2. RiskLab, Bank of Finland	May
1. Bank of England, Fire Sale Workshop	April

Service

8. Discussant. Bonelli, Briere, and Derrien: Altruism or self-interest? ESG and participation in Employee Share Plans. 1st YSBC Sustainable Finance Conference. Discussion .	2022
7. Reviewer, Journal of Commodity Markets	2022
6. Session Chair, Econometric Society, Asian Meeting	2021
5. Discussant, FMA Europe, Risk and Vulnerabilities of Bank Networks	2018
4. PhD Brown Bag Coordinator	2017-2019
3. Advised Masters' Theses	2019-2021
2. Advised Bachelors' Theses	2018-2021
1. Advised Business Projects	2021

Teaching

Financial Intermediation

Taught exercise classes and TA for David Lando 2018-2021

Financial Derivatives and their Applications

Teaching assistant to Rasmus Tangsgaard Varneskov 2017-2019

Corporate Finance

Teaching assistant to Thomas Geelen 2018-2019

Industry Experience

National Bank of Denmark

Systemic Risk and Financial Stability, Head of Section 2015 – 2017

Banking and Markets, Trainee 2014 – 2015

Sparinvest, Denmark

Investment Fund, Risk and Compliance, Intern 2014

Eden McCallum, London, United Kingdom

Strategy Consulting, Intern 2014

Computer Skills

Languages R, L^AT_EX, SQL, MATLAB, PYTHON, GIT, C, HTML/CSS, JAVA, VBA

Databases 13F, CRSP, FRED, Google Trends, Morningstar, Datastream, Bloomberg, Eikon

Other Education

University of Copenhagen

Subjective Beliefs in Macroeconomics and Household Finance, Center for Economic Behavior and Inequality 2021

Taught by Yueran Ma, Michael McMahon, Chris Roth, Johannes Wohlfart, and Florian Zimmerman

Selected by Chris Roth and Johannes Wohlfart

Wharton School of Business

Topics in Asset Pricing, Jules van Binsbergen; 2019 – 2020

Corporate Finance and Financial Institutions, Itay Goldstein;

Empirical Corporate Finance, Michael Roberts

Stanford Graduate School of Business

Stanford Big Data Initiative in International Macro-Finance 2020

Selected by Matteo Maggiori, Brent Neiman, and Jesse Schreger

University of Oxford

Tools for Macroeconomists: Essentials and Advanced, Department of Economics 2020

University of Chicago

Macro Finance Research Program Summer Session for Young Scholars (MFR), Becker Friedman Institute 2020

Organised by Lars Peter Hansen, Fernando Alvarez, John H. Cochrane, Douglas Diamond, Wenxin

Du, Zhiguo He, John C. Heaton, Anil Kashyap, Ralph S.J. Koijen, Yueran Ma, Thomas Sargent, Amir Sufi, Harald Uhlig

Princeton University

ECO529: Macro, Money and International Finance, Bendheim Center for Finance 2019
Taught online by Markus Brunnermeier

Princeton University

Princeton Initiative: Macro, Money, and Finance, Bendheim Center for Finance 2019
Selected by Markus Brunnermeier and Yuliy Sannikov
Nominated by Lasse Heje Pedersen

London School of Economics

Advanced Microeconomics, Advanced Macroeconomics 2012

Renmin University, Beijing, China

Chinese Political Strategy, Chinese Language (Oral, Written) 2011

Other

Volunteering: Increasing Access to Local Investments Startup (2018), Huset-Kbh Cultural Assistant (2014-2018), TEDxWarwick Speakers Coordinator (2012), Students in Free Enterprise Project Manager (2013), Girton College Cambridge MCR Committee (2014), Sofar Copenhagen Organiser (2016), Girton College Cambridge Rowing Team (2014), Maths and Physics Society Treasurer (2012), Warwick University Handball Team (2010).

Languages: Danish (Native), English (Fluent), French German Swedish Norwegian (Conversational)

Citizenship: Danish, Luxembourgish

Miscellaneous: Runner up in Copenhagen Business School Department of Finance Fantasy Football League (2021),

References

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Jens Dick-Nielsen (Chair)

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