MAGNIM FAROUH

CONTACT INFORMATION	University of Montreal (UdeM) Department of Economics 3150 rue Jean-Brillant Montreal, QC H3T 1N8 Canada	Phone (office): (514) 343-6111 #3672 Phone (cellular): (514) 583-8503 Email: magnim.farouh@umontreal.ca Website: https://sites.google.com/view/magnim-farouh/ Languages: English (fluent), French (excellent), Mina (native)

RESEARCH AREAS

Financial Markets, Financial microstructure, Econometrics, Macrofinance

PROFESSIONAL SUMMARY

I have excellent skills in survey designing, data collection, programming and empirical analysis, including big data and machine learning. I own a master degree in Statistics and Economics with 1 year of experience. I am now a Ph.D candidate preparing for the job market. I am doing my research in finance and econometrics. More precisely, I am interested in estimating transaction costs in the financial markets, in anomalies returns, in shadow banking and its link with financial crises.

PH.D. DEGREE

University of Montreal (2014-2020 (expected))

OTHER DEGREES

Master 2 in Statistics and Economy, Sub-regional Institute of Statistics and Applied Economy, Yaoundé, Cameroun (2010-2013).

M.Sc. in Statistics, Sub-regional Institute of Statistics and Applied Economy, Yaoundé, Cameroun (2007-2011).

PUBLICATIONS

o   Outbreak definition by change point analysis: a tool for public health decision?, with Gaëtan Texier, Liliane Pellegrin, Michael L. Jackson, Jean-Baptiste Meynard, Xavier Deparis, and Hervé Chaudet , BMC Med Inform Decis Mak. 2016 Mar 12

WORKING PAPERS

o   Financial risk, Transaction costs and Anomalies, 2019 (Job Market Paper).
o   Shadow Banking index from Financial firms 10-Ks, with Vasia Panousi, 2019.
o   Anomalies returns prediction with text data, 2019

FELLOWSHIPS

Ph.D. Fellowship, CIREQ & Economics Department, UdeM, 2014-2020.

CISEA Travel Grant, 2019.

Macro-Finance Society Ph.D. Student Award, 2019.

CIREQ Association Graduate Travel Grant, 2019.

French Cooperation Fellowship, France Embassy in Togo, 2007-2011

TEACHING

ECN-1050: Introduction to Macroeconomics, UdeM, 2018 and 2019(Lecturer).

ECN-1260: Econometrics 1, UdeM, 2016 and 2017 (Lecturer).

ECN-6258: Money, Banks and Markets, UdeM, 2018 and 2019 (Teaching Assistant).

PROFESSIONAL EXPERIENCE

Consultant in charge of survey designing, data collection and economic analysis at

National Institute of Statistics, Economic Studies and Demographics (INSEED), Lomé, Togo, August 2013-April 2014.

2019-11-04
Magnim Farouh

Conferences and Seminars	2019: 2nd International Conference in Statistics and Applied Economics, Abidjan; 59th Société Canadienne des Sciences Économiques (SCSE) Annual Congress, Québec; 52nd Canadian Economics Association Annual Conference, Banff. 2018: 51st Canadian Economics Association Annual Conference, Montréal.

CONFERENCES AND SEMINARS

2019: 2nd International Conference in Statistics and Applied Economics, Abidjan; 59th Société Canadienne des Sciences Économiques (SCSE) Annual Congress, Québec; 52nd Canadian Economics Association Annual Conference, Banff.

2018: 51st Canadian Economics Association Annual Conference, Montréal.

OTHERS

Memberships: Center for Interuniversity Research and Quantitative Economics (CIREQ), Canadian Economic Association, American Economic Association.

Computer skills: MATLAB, Python, R, STATA, and others.

ACADEMIC REFERENCES

René Garcia
rene.garcia@umontreal.ca
Economics Department
University of Montreal
3150, rue Jean-Brillant
Montréal, QC H3T 1N8
CANADA

Vasia Panousi
vasia.panousi@umontreal.ca
Economics Department
University of Montreal
3150, rue Jean-Brillant
Montréal, QC H3T 1N8
CANADA

Caio Almeida
calmeida@princeton.edu
Caio.Almeida@fgv.br
Associate Professor of Finance, EPGE/FGV

2019-11-04
Magnim Farouh

My main research interests are in Finance and Econometrics with a particular enthusiasm for Bayesian methods and Machine learning technics. During my doctoral studies at the University of Montreal, I had the privilege to be taught by many talented professors from different fields and at the end of my Ph.D. second year, I had a little something for Finance. In this statement, I summarize all the research projects undertaken as a Ph.D. student.

1. Financial Risks, Transaction Costs and Anomalies returns, 2019, (Job Market Paper)

This paper proposes a novel way of estimating transaction costs of stocks by revisiting the model proposed by Hasbrouck (2009). We introduce in the estimation aggregate market conditions such as limited funding liquidity, heightened investors' fears or other frictions that limit arbitrage. Introducing funding liquidity in the model of Hasbrouck (2009) modifies the transaction significantly for 73% of the firms and increases the transaction costs in average by 24%. We also find evidence for flight to quality since the differentials in transaction costs between stocks of small firms and stocks of big firms on one hand, and between stocks of high volatility firms and stocks of low volatility firms on the other hand, increase when the financial risk increases. we also measure the impact of adjusted transaction costs for financial risks on the returns of long-short strategies that arbitrageurs are pursuing by building portfolios sorted according to firm characteristics. We find that a proper accounting of the adjusted transaction costs for financial risks eliminates the profits of a large number of anomaly-based long-short portfolios.

2. Shadow Banking index from Financial firms 10-Ks, 2019, (with Vasia Panousi)

This paper proposes a shadow banking index using Natural language Processing Methods with the textual information contained in 10-Ks of financial firms such as Banks, Investment Companies or Insurance companies in the United States. For this purpose we construct a dictionary of shadow banking words by taking the words in the corpus of 10-Ks we have, that show some strong correlation with variables related to the securitization activities such as Total Real Estate Loans Owned and Securitized by Finance Companies, Money market funds total financial assets, Securitized Total Consumer Loans, Total Consumer Credit Owned and Securitized, Student Loans Owned and Securitized, etc. With the dictionary we have, we construct an index for each firm and each year by measuring the importance of the dictionary in the 10-K of the firm, for the given year. With the index we have, we show with a state level study, that Anti Predatory Lending Laws do not have a significant impact on the shadow banking activities. We also show that the index obtained is negatively linked to the Tier 1 capital ratio and positively linked to the Tier 2 capital ratio of traditional banks.

3. Anomalies returns prediction with text data, 2019

This paper studies how the popularity of anomalies in financial news can influence the returns on these anomalies. In this paper the popularity of an anomaly for a given month or year and for a given financial new, is measured by how often the anomaly appears in the financial new. This popularity is then signed with the tone (positive or negative) to the financial new. The signed popularity is then averaged across the month for the anomaly and used to predict the return of the anomaly for the next months or years.

2019-11-04
Magnim Farouh