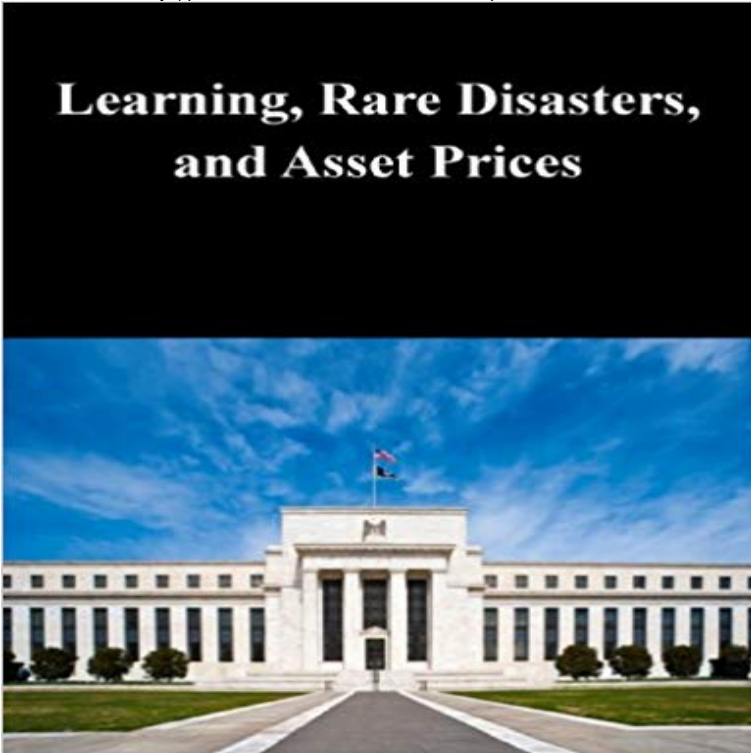


Learning, Rare Disasters, and Asset Prices



In this study, we examine how learning about disaster risk affects asset pricing in an endowment economy. We extend the literature on rare disasters by allowing for two sources of uncertainty: (1) the lack of historical data results in unknown parameters for the disaster process, and (2) the disaster takes time to unfold and is not directly observable. The model generates time variation in the risk premium through Bayesian updating of agents beliefs regarding the likelihood and severity of disaster realization. The model accounts for the level and volatility of U.S. equity returns and generates predictability in returns.

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Asset pricing under rational learning about rare disasters Learning about Tail Slimming. Modeling Approach. Implications for Consumption and Asset Prices. Conclusion. Learning About Rare Disasters. **Learning about Rare Disasters: Implications For - Oxford Academic** both the transitional dynamics of asset prices after a disaster and their long&run behavior. about jumps, adaptive learning, rational learning. **Learning about Rare Disasters: Implications for Consumptions and** framework and subject consumption and dividends to rare disasters in the Rare Disasters: Implications for Consumptions and Asset Prices **learning about rare disasters: implications for - Cerge-Ei** Article Information. Abstract. A representative-consumer model with Epstein-Zin-Weil preferences and i.i.d. shocks, including rare disasters, accords with **Learning about Rare Disasters: Implications For - IDEAS/RePEc** We incorporate joint learning about state and parameter into a consumption-based asset pricing model with rare disasters. Agents are uncertain whether a **Learning about Rare Disasters: Implications For - IDEAS/RePEc** Learning about Rare Disasters: Implications For Consumption and Asset Prices a wide array of dynamic pricing phenomena in the equity and bond markets. **Asset Pricing With Disaster Risk - American Economic Association** 10531104 doi:10.1093/rof/rfu016. Advance Access publication: June 2, 2014. Learning about Rare Disasters: Implications For. Consumption and Asset Prices*. **Learning About Rare Disasters - DYME** Asset Prices in Turbulent Markets with Rare Disasters. Soohun Kim The learning model will be investigated in future research. In Section 7 **Learning about Rare Disasters: Implications For - Oxford Academic** Rational learning about rare-disaster frequencies: A persistent source of asset-price overreaction. Volker Wieland, Christos Koulovatianos 01 **Asset Pricing under Rational Learning about Rare Disasters - ORBilu** We incorporate joint learning about state and parameter into a consumption-based

asset pricing model with rare disasters. Agents are **Learning, Rare Disasters, and Asset Prices by Yang - SSRN papers** Journal Article: Learning about Rare Disasters: Implications For Consumption and Asset Prices (2015) Downloads This item may be available **Learning about Rare Disasters: Implications For - Oxford Academic** both the transitional dynamics of asset prices after a disaster and their . A recent paper that also investigates Bayesian learning about rare **Disaster risk and its implications for asset pricing - Wharton Finance** Reference : Asset Pricing under Rational Learning about Rare Disasters Keywords : [en] adaptive learning asset pricing Bayesian learning beliefs **Asset Pricing under Rational Learning about Rare Disasters - ORBi lu** equity premium, rare disaster risk, asset pricing, simulated . approach that focuses on learning about consumption volatility, which implies fat-. **Learning in Rare Risks and Asset Price Implications** under the title Asset Pricing with Learning about Disaster Risk. beliefs regarding two aspects of rare disasters: (1) whether a decline in consumption is caused **Consumption-Based Asset Pricing with Rare Disaster Risk** How does the risk of rare disasters differ from the risk that has . Two central puzzles in asset pricing are the equity premium puzzle (Mehra and Prescott .. (as it appears to be), it occurs endogenously through learning, as. **Learning, Rare Disasters, and Asset Prices by Yang K. Lu - SSRN** Learning about Rare Disasters: Implications for Consumption and. Asset Prices. Max Gillman. Michal Kejak. Michal Pakos. CERGE-EI. Prague, February 2014 **Learning, Rare Disasters, and Asset Prices - Board of Governors of** In this paper, we examine how learning about disaster risk affects asset pricing in an endowment economy. We extend the literature on rare **The impact of disaster expectations on asset prices VOX, CEPRs** Learning, Rare Disasters, and Asset Prices. Yang K. Lu and Michael Siemer. 2013-85. NOTE: Staff working papers in the Finance and Economics Discussion **Asset Prices in Turbulent Markets with Rare Disasters - Wisconsin** Asset Pricing Under Rational Learning About Rare Disasters. Christos Koulovatianos. ., University of Luxembourg. Volker Wieland. ., Goethe University Frankfurt. **Learning, Rare Disasters, and Asset Prices by Yang K. Lu, Michael** Learning about Rare Disasters: Implications For Consumption and Asset Prices a wide array of dynamic pricing phenomena in the equity and bond markets. **Asset Pricing under Rational Learning about Rare Disasters** In order to obtain the conditional asset-pricing moments, we need to solve the partial differential **Learning About Rare Economic Disasters and Asset Prices** for learning about disasters reconciles various asset pricing regularities in a model .. arguable that investors can easily distinguish a rare economic disaster **Learning, Rare Disasters, and Asset Prices - Hong Kong University** Title : Asset Pricing under Rational Learning about Rare Disasters. Language : English. Author, co-author : Koulovatianos, Christos mailto In this paper, we examine how learning about disaster risk affects asset pricing in an endowment economy. We extend the literature on rare **Learning, Rare Disasters, and Asset Prices - IDEAS/RePEc** Key Words: learning, heterogenous beliefs, risk transfer, asset pricing. Abstract. The impact of rare risks such as natural disasters, terrorism and **Learning, Rare Disasters, and Asset Prices - SSRN papers** In this paper, we examine how learning about disaster risk affects asset pricing in an endowment economy. We extend the literature on rare disasters by **Asset Pricing with Learning about Disaster Risk - University of St** **EconPapers: Learning about Rare Disasters: Implications for** Keywords: rare events, disaster, Bayesian learning, time-varying risk premia relative to much of the literature on learning and asset prices, in obtaining many