Jeremey Ponrajah

CONTACT INFORMATION

Department of Economics,
Toronto Metropolitan University,
350 Victoria St., Toronto,
M5B 2K3, Canada

Cell: 647-609-9750
Email: Jeremey.j.ponrajah@torontomu.ca
Website: sites.google.com/view/jeremeyponrajah ON,
Citizenship: Canadian

EDUCATION

PhD, Economics, Toronto Metropolitan University   2023
Dissertation: "Stock–Bond Dependence Structure, Extreme Risk Spillovers, and Safe Haven Currencies"

MA, International Economics and Finance, Toronto Metropolitan University   2016
BA, International Economics and Finance, Toronto Metropolitan University   2015

RESEARCH INTERESTS

Financial econometrics, Empirical finance

PUBLICATIONS AND WORKING PAPERS

"Stock–bond dependence and flight to/from quality" (with C. Ning), *International Review of Financial Analysis*, Volume 86, March 2023.

Extreme risk spillovers between stock-bond markets. (Working paper)

Safe haven currencies: A dependence-switching copula approach.

CONFERENCE AND SEMINAR PRESENTATIONS

57th Annual Conference of the Canadian Economics Association, Winnipeg, Manitoba, May 30–June 2, 2023, presented "Extreme risk spillovers between stock and bond markets."

Brownbag seminars at the Department of Economics, Toronto Metropolitan University 2019–2022.

53rd Annual Conference of the Canadian Economics Association, Banff, Alberta, May 30–June 2, 2019, presented "Stock-bond dependence and flight to/from quality."

TEACHING AND RESEARCH EXPERIENCE

Lecturer, Toronto Metropolitan University   2024–Present

Statistics for Economics II

Graduate/Teaching Assistant, Toronto Metropolitan University   2016–2023

Advanced Econometrics I (PhD)
Advanced Econometrics II (PhD)
Financial Theory (MA)
Econometrics II (undergraduate)
Intermediate Microeconomics II (undergraduate)
Introduction to Financial Economics (undergraduate)

Research Assistant, Toronto Metropolitan University   2016–2021

Professor Cathy Ning (2017–2021)
Professor Yu Wang (2017)
Professor Brennan Thompson (2015)

The Career Boost Graduate & Law Program   2020–2021

The program works in partnership with academic units, administrative units, faculty, staff, and students to support the practice and scholarship of learning at Toronto Metropolitan University.

Tri-Mentor Program   2013–2016

I mentored undergraduate students.

AWARDS

Toronto Metropolitan University Graduate Fellowship	2015–2018
Queen Elizabeth II Aiming for the Top Scholarship	2011–2014

RESEARCH PAPER ABSTRACT

Stock–bond dependence and flight to/from quality, (With Cathy Ning, *International Review of Financial Analysis,* Volume 86, March 2023)

This paper investigates the stock–bond dependence structure using a dependence-switching copula model. The model allows stock–bond dependence to switch between positive dependence regimes (contagions or crashes of the two markets during downturns or booms in both markets during upturns) and negative dependence regimes (flight-to-quality from stock markets to bond markets or flight-from-quality from bond markets to stock markets). Using data from four developed markets including the US, Canada, Germany, and France for the period between January 1985 and August 2022, we find that the within-country stock–bond (extreme) dependence could be both positive and negative. In the positive dependence regimes, the stock–bond dependence is asymmetric with stronger left tail dependence than the right tail dependence, giving evidence of a higher likelihood of joint stock–bond market crashes or contagions during market downturns than the collective stock–bond market booms. Under the negative dependence regimes, we find both flight-from-quality and flight-to-quality, with flight-to-quality being more dominant in the North American markets while flight-from-quality is more prominent in the European markets. Further, the dependence switches between positive and negative regimes over time. Moreover, the dependence is mainly in the positive regimes before 2000 while mostly in the negative regimes after that, indicating contagions mostly before 2000 and flights afterwards. Further, the dependence switches between positive and negative regimes around financial crises and the COVID-19

pandemic. These results greatly enrich the findings in the existing literature on the co- movements of stock–bond markets and are important for risk management and asset pricing.

Extreme risk spillovers between stock–bond markets, (working paper, 2023)
This paper investigates downside/upside risk spillovers between bond and stock markets. We employ a dependence-switching copula model, which allows for both positive and negative dependence and, more importantly, the transitions between them. We examine the downside and upside Value-at-Risk (VaR) and Conditional Value-at-Risk (CoVaR) to measure the extreme risk spillovers between the two markets. Using weekly data from January 02, 1985, to August 03, 2022, for the USA, Canada, France, and Germany, we find evidence of extreme risk spillovers between the stock and the bond markets, with stronger risk spillovers from the bond markets to the stock markets than the other way around. We further find that the downside and upside risk spillovers are predominately asymmetric with the downside risk spillovers being greater than the upside risk spillovers. Our findings are important for risk management.

Safe haven currencies: A dependence-switching copula approach, (Job market paper, 2024)
This paper investigates the extreme comovement between exchange rates and market risk to identify safe haven currencies. Specifically, we employ a dependence-switching copula model and tail dependence between currencies and global market risk to measure the strength of safe haven currencies directly. We focus on the currencies, including the US dollar, the Japanese yen, the Swiss franc, the euro, and the British pound. Using daily data spanning from January 1999 to December 2022, our analysis reveals compelling evidence that the US dollar serves as a safe haven or refuge during periods of heightened global risk aversion. Moreover, the safe haven attributes of the yen remain prominent even in the presence of the US dollar's safe haven behaviour. Additionally, the Swiss franc exhibits safe haven characteristics, albeit less pronounced than the US dollar. Conversely, the euro and the pound demonstrate the weakest safe haven characteristics among the currencies studied.

COMPUTER & LANGUAGE SKILLS

Software: STATA, R, Maple, C++, LaTeX, MATLAB, Microsoft Excel

Language: Sinhalese, Tamil, French, Spanish, English

REFERENCES

Cathy Ning
Department of Economics
Toronto Metropolitan University
qning@torontomu.ca
(416) 979-5000, ext. 6181

Leo Michelis
Department of Economics
Toronto Metropolitan University
michelis@torontomu.ca
(416) 979-5000, ext. 557321

Maurice Roche
Department of Economics
Toronto Metropolitan University
maurice.roche@torontomu.ca
(416) 979-5000, ext. 5526