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DATE OF BIRTH: 02/10/1980

SEX: M

CITIZENSHIP: Turkish

UNDERGRADUATE STUDIES:

Bachelor of Science, Industrial Engineering, Bogazici University, 2001

GRADUATE STUDIES:

- UNIVERSITY OF CALIFORNIA, SAN DIEGO, DEPT. OF MATHEMATICS
M. Sc. in STATISTICS DATES: 9/2002-06/2004
- UNIVERSITY OF CALIFORNIA, SAN DIEGO, DEPT. OF ECONOMICS
M. A. in ECONOMICS DATES: 9/2001-06/2003
C. Phil in ECONOMICS DATES: 9/2001-12/2004
- UNIVERSITY OF CALIFORNIA, SAN DIEGO, DEPT. OF ECONOMICS
Ph. D. in ECONOMICS DATES: 9/2001-Present
THESIS TITLE: Essays on the Stock Market's Reaction to News
EXPECTED COMPLETION DATE: June 2006
THESIS COMMITTEE AND REFERENCES:

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DESIRED TEACHING AND RESEARCH:

Primary Fields: Asset Pricing, Finance

Secondary Fields: Econometrics, Macroeconomics, Statistics, Forecasting

TEACHING EXPERIENCE:

- Teaching Assistant - Rady School of Management, UCSD
Corporate Finance (Spring 2005), Investments (Fall 2005)
- Teaching Assistant - Department of Economics, UCSD
Introduction to Economics (Fall 2001, Fall 2002), Econometrics (Winter 2002), Intermediate
Microeconomics (Winter 2003, Winter 2004), Financial Accounting (Fall 2003)
- Teaching Assistant - Department of Cognitive Science, UCSD
Introduction to Computing (Spring 2002)

RELEVANT POSITIONS HELD:

- Dissertation Intern, Research Dept., Federal Reserve Bank of St. Louis, MO, 06/2005-09/2005
- Research Assistant for Prof. Richard Carson, Dept. of Economics, UCSD, 04/2004-Present
- Statistician, Risk Capital Management, New York, NY, 06/2003-09/2003
- Research Assistant for Prof. Kate Antonovics, Dept. of Economics, UCSD, 04/2003-08/2003
- Trade Marketing Manager Assistant, The Gillette Company, Istanbul, TURKEY, 08/1999-06/2001

HONORS, SCHOLARSHIPS, AND FELLOWSHIPS:

Research Internship, Federal Reserve Bank of St. Louis, 6/2005 – 9/2005
Travel Grant, UCSD, 5/2005
Walter P. Heller Prize for Outstanding Third Year Research Paper, UCSD, 9/2004
Travel Grant, UCSD, 4/2004
Graduate Fellowship, UCSD, 2001-Present
Merit Based Fellowship, Bogazici Univeristy, 1997-2001
Fellowship for Highest Achievement in the College Entrance Exam, Government of Turkey, 1997

RESEARCH IN PROGRESS:

Risk and Return Reaction of the Stock Market to Public Announcements about Fundamentals: Theory and Evidence (Job Market Paper)

The paper analyzes how the stock market reacts to public macroeconomic announcements that reveal information about the state of the economy. I develop a dynamic general equilibrium asset pricing model where investors learn about the unobserved state of the economy through dividend realizations and public announcements. In this framework, I find that positive unanticipated news about the state of the economy decreases the mean stock market return if investors are more risk averse than log utility. I also provide theoretical explanations to recent empirical findings about the effect of news on the stock market. Using real-time data, I develop model-based and survey-based measures of unanticipated news and uncertainty to test the implications of our model. I find supporting evidence for our theoretical model in the aggregate stock market data.

Aggregation Issues in Forecasting Aggregate Demand: An Application to U.S. Commercial Air Travel (with Richard T. Carson and Roger A. Parker)

The forecasting literature is surprisingly silent on whether it is better to estimate a model using aggregate data at (say) a national level, and then disaggregate that forecast to individual markets in some fashion; or whether one should derive forecasts for individual markets and then aggregate them upward. The focus of this paper is to explore the latter case using air travel demand as an example. This paper considers the case of U.S. commercial air travel with the objective of predicting the total number of commercial passengers in a particular period. We initially consider two extreme approaches, FAA's aggregate forecast approach and a second approach we term AIM (aggregating individual markets) forecast. We find that the AIM approach outperforms the aggregate forecasting approach.

A Rational Model of Under-reaction: The Effect of Macroeconomic News (C. Phil. Paper)

I analyze long-term effects of macroeconomic news on return dynamics. I develop a dynamic general equilibrium asset pricing model where macroeconomic news is an additional state variable. The dividends grow according to a two state exponential random walk where the state variable follows a Markov chain with time varying transition probability matrix that depends on the observed news variable. In this framework, I show that the under-reaction of stock prices to news is consistent with a rational expectations model rather than a behavioral specification as suggested by recent literature. In other words, I find that under certain parameter restrictions, my model can account for under-reaction of stock prices. Furthermore, I show that the reaction of the stock market to news depends on the state of the economy. My empirical results suggest that the stock market under-reacts to nominal GDP news.

OTHER WORK:

Understanding Momentum: An Equilibrium Asset Pricing Model

I analyze long-term effects of relative past performance of returns on future return dynamics. I develop an asset pricing model with multiple securities whose dividends are functions of a common state variable. In this framework, I first show that it is possible to have a stationary limiting distribution for an individual asset's share-in-consumption process in contrast to the existing literature. I analyze whether the momentum evidence observed in cross-section of returns is consistent with this model. My results suggest that my model can generate momentum in stock returns.

CONFERENCE PRESENTATIONS:

- How do Stock Returns React to Public Announcements about Fundamentals? Theory and Evidence, Rady School of Management, UCSD, San Diego, CA, September-2005
- How do Stock Returns React to Public Announcements about Fundamentals? Theory and Evidence, Research Department, Federal Reserve Bank of St. Louis, MO, September-2005
- A Rational Model of Under-reaction: The Effect of Macroeconomic News, Research Department, Federal Reserve Bank of St. Louis, MO, June-2005
- Aggregation Issues in Forecasting: An Application to US Commercial Air Travel, 16th Advanced Research Techniques Forum, American Marketing Association, Couer D'Alene, ID (Co-author presentation), June-2005
- Invited Speaker, Social Sciences Dean's Advisory Council Meeting, UCSD, San Diego, CA June-2005
- A Rational Model of Under-reaction: The Effect of Macroeconomic News, 5th Annual Hawaii International Conference on Business, Honolulu, HI, May-2005
- Aggregation Issues in Forecasting: An Application to US Commercial Air Travel, 5th Annual Hawaii International Conference on Business, Honolulu, HI, May-2005
- A Rational Model of Under-reaction: The Effect of Macroeconomic News, Southwestern Social Science Association 2005, New Orleans, LA, April-2005
- A Rational Model of Under-reaction: The Effect of Macroeconomic News, 5th Annual All Grad Research Symposium, UCSD, San Diego, CA, January-2005
- Modeling Stock Returns with Hidden Markov Models and Effect of EPS Announcements on Investor Psychology, Southwestern Social Science Association 2004, Corpus Christi, TX, April-2004

MEDIA COVERAGE:

"Grad students Interact at symposium", San Diego Union Tribune, January 30, 2005
http://www.signonsandiego.com/uniontrib/20050130/news_1m30research.html

PROFESSIONAL ACTIVITIES:

Journal Referee: *Journal of Economics and Dynamic Control*
Journal of Financial Econometrics
Professional Affiliations: *Financial Management Association*