

## **PETER DAMIAN SPENCER**

### **CURRICULUM VITAE**

#### **CURRENT EMPLOYMENT**

Professor of Economics and Finance, York University, October 2002 - date.

#### **PREVIOUS EMPLOYMENT HISTORY**

- (1) Senior Assistant/Economic Adviser, Finance Economic Unit, HM Treasury, November 1973 - September 1982.**
- (2) Gwilym Gibbon Research Fellow, Nuffield College, Oxford, September 1982 - October 1983**
- (2) Economic Adviser, HM Treasury, October 1983 - October 1986.**
- (3) Senior Economist, Credit Suisse First Boston, October 1986 - October 1988. I**
- (4) Chief UK Economist, Lehman Brothers, October 1988 -February 1992.**
- (5) Professor of Monetary Economics, University of Strathclyde, October 1993 – December 1994 (half-time).**
- (6) Chief Economist, Kleinwort Benson, March 1992 to December 1994.**
- (7) Professor of Financial Economics, Birkbeck College, London, January 1995- September 2002.**

#### **OTHER CURRENT POSITIONS**

Member of the Office for Budget Responsibility (OBR) Advisory Panel.

Consultant, Bank of England.

#### **Synopsis**

My career has spanned a wide range of institutions in the public, financial and academic sectors. It started at HM Treasury, where I was engaged in areas that allowed me to develop a range of useful analytical skills and publish in international economic journals. I continued to publish academic papers while working in financial industry, when my work on Divisia monetary aggregates received a lot of attention, helping to persuade the Bank of England to adopt this method for the official aggregates in 1996. More recently, my position at York has allowed me to work right at the cutting edge of macro-finance, which studies the interplay between financial markets and the economy.

## **Research interests**

My main research interest is in arbitrage-free asset pricing models and my recent published papers report research on bank default risk during the financial crisis and long-memory models of the yield curve. My current interest is in allowing for asymmetric information in asset pricing models and in particular the interbank deposit market.

Since taking up my position at York I have supervised four successful doctoral students: Chiara Peroni (University of East Anglia); Zhuoshi Liu (Bank of England) Alex Kostakis (University of Liverpool) and Haicheng Shu (University of Chengdu) and have acted as external examiner for doctoral students at University College, London; the London Business School and the University of New South Wales.

I chaired the departmental Research Committee from 2005-08 and Board of Studies 2011-13 and was a member of the ESRC Research Centres Board from 1992-96.

## **Teaching interests**

I have taught a range of courses in monetary and macroeconomics but now focus on Finance. I am responsible for the 20 credit third year BSc module 'The Structure and Regulation of Financial Markets'; the MSc 'Theory of Finance' 20 credit foundation module; and the MSc option 'Financial Risk Management'.

I have served as External Examiner at the London School of Economics and the University of Stirling.

## **PUBLICATIONS**

### **1. Solo papers in refereed journals and edited collections**

1. "A model of the market for British Government Stocks 1967-1977" *Economic Journal*, December 1981.
2. "Bank Regulation, Credit Rationing and the Determination of Money Market Interest Rates" *Manchester School*, March 1982.
3. "Precautionary and Speculative Aspects of the Behaviour of Banks in the United Kingdom under Competition and Credit Control" *Economic Journal*, September 1984.
4. "The effect of Oil Discoveries on the British Economy - Theoretical Ambiguities and the Consistent Expectations Approach" *Economic Journal*, September 1984.
5. "Bounded Shooting: a method for solving large non-linear econometric models under the Consistent Expectations assumption" *Bulletin of the Oxford Institute of Economics and Statistics*, February, 1985.
6. "Official Intervention in the Foreign Exchange Market", *Journal of Political Economy*, October 1985.

7. "How to make the Central Bank look good: A reply" *Journal of Political Economy*, February 1989.
8. "The Economics of the Community Charge" *The Business Economist*, Spring 1989.
9. "Speculative and Precautionary holdings as Complements in the Portfolio" *Journal of Banking and Finance*, December 1989.
10. "Open Economic Macroeconomics" in J.R. Shackleton (Ed) "New Thinking in Economics" Edward Elgar (1990).
11. "The Speculative Demand for Money" in J. Eatwell and P. Newman (Eds) "The New Palgrave Dictionary of Money and Finance, 1992.
12. "Portfolio Disequilibrium: Implications for the Divisia approach to monetary aggregation" Manchester School, June 1994.
13. "Open Economy Macroeconomics: Theory without evidence?" in Edmar L. Bacha (Ed) "Economics in a changing world" Macmillan, forthcoming, 1995.
15. "Reactions to the Flexible Labour Market" in Curtice and Jowell (Eds), *British Social Attitudes*, Dartmouth, 1996.
14. "The case for a pan-European Divisia Monetary Index" *International Economy*, February 1996.
15. "Monetary Integration in the EMS: The case for a European Monetary Aggregate" *European Economic Review*, June 1997.
16. "Financial Innovation and Divisia Monetary Aggregates: Comment on Ford, Pengt an Mullineux" *Bulletin of the Oxford Institute of Economics and Statistics*, May 1998
17. "An arbitrage-free model of the Yield Gap" Manchester School; Supplement; June 1999.
18. "The Structure and Regulation of Financial Markets", Oxford University Press, 2000.
19. "Regulation of the Payments Market and the Prospect for Digital Money" in S Sato and J. Hawkins (Eds) 'Electronic Finance: A New Perspective and Challenge', Bank for International Settlements, November 2001, pp 69-79.
20. "The Impact of ICT Investment on UK Productive Potential 1986-2000: New Statistical Methods and Tests" Manchester School; June 2002, pp 107-126
21. "Market Structure, Innovation and the Development of Digital Money" in "Technology and Finance: Challenges for financial markets, business strategies and

policy makers" M. Balling, F. Lierman, and A. Mullineux (Eds); No.17, Routledge International Studies in Money and Banking, Routledge, London, ISBN 0-415-29827-X, 2003.

22. "Can National Banking Systems Compete?" *FinanzArchiv*, 59, pp 336-339., 2003.

23. "Stochastic Volatility in a Macro-Finance Model of the US Term Structure of Interest Rates 1961-2004" *Journal of Money Credit and Banking*, Vol 40, No 6, September 2008, pp1177-1215.

<http://economics.sbs.ohio-state.edu/jmcb/jmcb/06390/06390.pdf>

24. "An Admissible Macro-Finance Model of the US Treasury Market" *Multinational Finance Journal*, Vol 13, No 1, 2010, pp 1-38.

<http://mfs.rutgers.edu/MFJ/Abstracts/V13N12.html>

25. "UK Macroeconomic Volatility and the Term Structure of Interest Rates." *Oxford Bulletin of Economics and Statistics*, June 2013, pp 323-339.

doi: 10.1111/j.1468-0084.2012.00698.x

26. "The Mills Ratio and the behavior of redeemable bond prices in the Gaussian structural model of corporate default" *Finance Research Letters*, forthcoming, DOI 0.1016/j.frl.2013.05.006.

27. "US Bank Credit Spreads during the Financial Crisis", *Journal of Banking & Finance* 71 (2016) 168–182. <http://dx.doi.org/10.1016/j.jbankfin.2016.04.015>

## **B. Books**

1. "Financial Innovation, Efficiency and Disequilibrium: Problems of Monetary Management in the United Kingdom 1971-1981", Oxford University Press, 1986.

2. "The Structure and Regulation of Financial Markets", Oxford University Press, 2000.

## **C. Joint publications**

1. (with A.J.C. Britton and P.W. Richardson): "The Development of the Treasury Model" in P.Ormerod (Ed) "Economic Modelling" Heineman W, 1980.

2. (with A.J.C. Britton): "Interest Rates, the Balance of Payments and the Real Exchange Rate" in R. Batchelor and G. Woods (eds) "The Exchange Rate and the Balance of Payments" Macmillan, 1981.

3. (with C. Belchamber, the primary author): "The Gilt Edged Market", Phaidon, 1990.

4. (with G. Keating and G. Holtham): "The Demand for Liquid Assets in Germany and the United Kingdom" in P. Hooper (Ed) "The Financial Sector in Open Economies: Empirical Issues and Policy questions", Federal Reserve Board, Washington, 1990.

5. (with Renatas Kizys): "Assessing the Relation between Equity Risk Premium and Macroeconomic Volatilities in the UK" Quantitative Research in the Social Sciences, Special issue: Exponential Stochastic Volatility Models, Volume 2, Issue 1, Spring 2008. pp. 50-77.

[http://www.qass.org.uk/2008/vol2\\_1/paper3.pdf](http://www.qass.org.uk/2008/vol2_1/paper3.pdf)

6. (with Zhuoshi Liu): "An Admissible Term Structure Model of Sovereign Yield Spreads with Macro Factors: The Case of Brazilian Global Bonds", Manchester School, Vol 77, pp 108-125, June 2009. <http://ideas.repec.org/a/bla/manchs/v77y2009is1p108-125.html>

<http://ideas.repec.org/a/bla/manchs/v77y2009is1p108-125.html>

7. (with Zhuoshi Liu): "An Open-Economy Macro-Finance Model of International Interdependence: The OECD, US and the UK", Journal of Banking and Finance, 34 (2010), pp. 667-680 <http://dx.doi.org/10.1016/j.jbankfin.2009.09.006>

8. (with Zhuoshi Liu): "Modelling Sovereign Credit Spreads with International Macro Factors: The Case of Brazil 1998-2009" [Volume 37, Issue 2](#), February 2013, Pages 241-256, Journal of Banking and Finance. [doi.org/10.1111/j.1467-9957.2009.02120.x](http://dx.doi.org/10.1111/j.1467-9957.2009.02120.x)  
<http://www.sciencedirect.com/science/article/pii/S0378426612002348>

9. (with Vito Polito) "The Optimal Control of Heteroscedastic Macroeconomic Models", Journal of Applied Econometrics, 2015, Volume 31, Issue 7 November 2016, pp 1430–1444 <http://dx.doi.org/10.1002/jae.2488>

10. (with Adam Golinski) "The Advantages of using Excess Returns to model the Term Structure", Journal of Financial Economics, 2017, 125, pp 163–181.