

LEONIE BRÄUER

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EDUCATION

Swiss Finance Institute and University of Geneva, Geneva (Switzerland) Ph.D. in Finance	09/2020 - now
Wharton School, University of Pennsylvania, Philadelphia (USA) Visiting Scholar	01/2025 - 07/2025
University of St Andrews, St Andrews (Scotland) M.Sc. in Finance and Economics	09/2017 - 12/2018
Goethe University Frankfurt, Frankfurt am Main (Germany) B.Sc. in Economics and Business Administration	04/2014 - 07/2017

RESEARCH FIELDS

International Finance, Institutional Investors and Asset Pricing

REFERENCES

Harald Hau (Chair)

University of Geneva
Geneva Finance Institute
prof@haraldhau.com

Fabio Trojani

University of Geneva
Geneva Finance Institute
fabio.trojani@unige.ch

Karen Lewis

University of Pennsylvania
The Wharton School
lewisk@wharton.upenn.edu

JOB MARKET PAPER

Exchange Rate Expectations and Currency Demand

International exchange-traded funds (ETFs) often allow investors to choose between the currency-hedged and unhedged product. Relative holdings between these products reveal the currency demand and exchange rate expectation of investors. I find that investors allocation to currency-hedged versus unhedged ETFs varies with surveybased expectations and simple estimates of exchange rate expectations, like the forward discount, but less with dollar and carry factors. Portfolio-implied currency return expectations, extracted from ETF trading, become more dispersed during volatile periods in FX markets and predict future realized currency returns. This suggests that belief heterogeneity contributes to exchange rate volatility, yet aggregate investors trading is rational.

Awards: Swiss Finance Institute Best Doctoral Paper Award 2025

Presentations: Geneva Finance Research Institute, Wharton Business School (BB), SFI Research Days 2025, Global Finance Conference Boston 2025, American Finance Association 2026

WORKING PAPERS

Do Funds Engage in Optimal FX Hedging? with Harald Hau

Swiss Finance Institute Research Paper No. 24-103

Using comprehensive new contract level data (EMIR) for the period 2019-2023, we explore how the FX derivative trading by European funds compares to a feasible theoretical benchmark of optimal hedging. We find that hedging behavior by all fund types is often partial, unitary (i.e., with a single currency focus), and sub-optimal. Overall, the observed FX derivative trading does not significantly reduce the return risk of the average European investment funds, even though optimal hedging strategies could without incurring substantial trading costs.

Presentations: SFS Cavalcade North America 2025; European Finance Association 2025; Seminars: Geneva Finance Research Institute, European Central Bank

Can Time-Varying Currency Risk Hedging Explain Exchange Rates? with Harald Hau

Swiss Finance Institute Research Paper No. 22-77

The rise in net dollar bond positions of non-US investors has increased the net hedging demand for dollar short positions. We show how high variability of hedging and a negative demand elasticity for dollar short positions can explain increased FX volatility and the strong negative correlation between changes in net hedging and dollar spot rate returns, which reaches up to -66% for the dollar currency return index. We also construct granular instruments based on idiosyncratic bank capital measures which identify the hedging demand elasticity as negative, suggesting that less hedging is demanded if the dollar appreciates.

Presentations: 12th Workshop on Exchange Rates organized by the BIS, the Banca d'Italia and the ECB; SFS Cavalcade North America 2023; European Finance Association 2023; Young Swiss Economists Meeting 2023; American Finance Association 2024; European Winter Finance Summit 2025; Seminars: University of Lausanne; University of Zurich; Geneva Finance Research Institute

OTHER PROJECTS

Monetary Policy Transmission Over the Leverage Cycle with Gerhard Rünstler

ECB Working Paper No. 20202421

In Macroprudential Policy We Trust with Gadea-Rivas and Pérez-Quirós

ECB mimeo

Ungleichgewichte im Handel als Ursache von Wechselkursschwankungen with Harald Hau

Schmalenbach IMPULSE 3(2): 1-9, December 2023

CONFERENCE DISCUSSION

Young Swiss Economist 2023, *News and Noise Measurement Errors in Output Gaps: A State-Space Model to Compute a Reconciled Estimate* by Marc Anderes, Florian Eckert, and Nina Mühlebach; Swiss Finance Institute Research Days 2023, *Foreign Exchange Swap Liquidity* by Peteris Klok, Edouard Mattille, and Angelo Ranaldo; Swiss Finance Institute Research Days 2024, *Empirical Causal Asset Pricing with Trading Costs* by Luca Gaegauf Vincent Wolff; 14th Workshop on Exchange Rates organized by the National Bank of Belgium 2024, *Uncovered Interest Parity in High Frequency* by Ingomar Krohn, Philippe Mueller, Paul Whelan; Swiss Finance Institute Research Days 2025, *Microstructure implications of ETF arbitrage with custom baskets* by Berke Körükmez; Global Finance Conference Boston 2025, *Rising End-of-Day Trading in U.S. Equities* by Ryan Garvey, Jingbin He, Fei Wu

AWARDS

- Swiss Finance Institute: Best Paper Doctoral Award for my Job Market Paper *Exchange Rate Expectations and Currency Demand*
- University of Geneva: Subside Tremplin prize - scholarship awarded to the 8 best doctoral students across all disciplines of the University of Geneva.
- Swiss Finance Institute: Best Discussant Award for discussing *Foreign Exchange Swap Liquidity* by Peteris Klok, Edouard Mattille, and Angelo Ranaldo.
- European Finance Association Travel Grant 2023
- St. Andrews University: Sir Quo-Wei Lee Scholarship - awarded to the best entrant student.

OTHER EMPLOYMENT

European Central Bank, Frankfurt am Main (Germany)	02/2023 - 09/2024
Academic Consultant, DG European Systemic Risk Board	
European Central Bank, Frankfurt am Main (Germany)	09/2018 - 09/2019
Research Assistant, DG Monetary Policy Research Division	

TEACHING ASSISTENT POSITIONS

International Macroeconomics by Harald Hau	09/2021 - 12/2024
Master in Wealth Management and Economics, University of Geneva	
Asset Management by Norman Schürhoff	01/2022 - 05/2024
Master of Advanced Studies in Finance, University of Geneva	

REFeree ACTIVITY

Journal of Money, Credit and Banking 2025

NON-ACADEMIC WORK EXPERIENCE

Amazon Web Services, Munich (Germany), Intern	11/2019 - 02/2020
Landesbank Hessen-Thüringen, Frankfurt am Main (Germany), Intern	08/2015 - 12/2015

SKILLS

Technical Skills: SQL, Matlab, Python, Stata and R
Languages: German native speaker; fluent in English and French; proficient in Spanish
Voluntary Work: Vice-President of Geneva Academics in Management and Economics since 09/2021;
German language tutor for Afghan refugees 05-12/2017