

Press Release, Geneva, Switzerland, June 10 2025

Research Paper "Causal Inference for Asset Pricing" wins Swiss Finance Institute Outstanding Paper Award 2025

The Swiss Finance Institute has awarded its Outstanding Paper Award to the research paper "Causal Inference for Asset Pricing." This study, co-authored by Valentin Haddad, University of California, Los Angeles, Zhiguo He, Stanford University, Paul Huebner, Stockholm School of Economics, Péter Kondor, London School of Economics and Political Science, and Erik Loualiche, University of Minnesota, shows how to unlock causal insights from asset prices using a simple yet powerful portfolio demand assumption.

Geneva, 10 June 2025. The Swiss Finance Institute's College of Chairs has named Professor Valentin Haddad, University of California, Los Angeles, Professor Zhiguo He, Stanford University, Professor Paul Huebner, Stockholm School of Economics, Professor Péter Kondor, London School of Economics and Political Science, and Professor Erik Loualiche, University of Minnesota, as winners of the Swiss Finance Institute (SFI) Outstanding Paper Award 2025. This prize distinguishes an unpublished research paper expected to make an outstanding contribution to the field of finance.

In their paper, Valentin Haddad, Zhiguo He, Paul Huebner, Péter Kondor, and Erik Loualiche study how asset prices and quantities impact financial portfolio choices and structures. While traditional asset pricing methods focus on equilibrium models, their paper uses causal inference tools to identify cause-and-effect relationships in financial markets while accounting for asset substitution. This innovative approach allows for the determination of the price impact of demand changes through estimation of relative demand elasticities and elasticities of substitution. Their framework bridges classical portfolio choice theory with modern asset demand systems, offering new insights into how demand shocks and substitution patterns shape real-world asset prices.

The key learnings of the SFI Outstanding Paper 2025 will be presented at the SFI Research Days in June 2026. The research paper can be accessed at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5187305.

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Swiss Finance Institute

With support from its founders—the Swiss banking industry, the Swiss Confederation, and leading Swiss universities—the Swiss Finance Institute (SFI) competitively promotes world-class research and teaching in banking and finance in Switzerland. By combining academic excellence with practical experience, SFI contributes to the strengthening of the Swiss financial center. For further information about SFI, please visit www.SwissFinanceInstitute.ch.