

GORDON GEMMILL

Finance Group
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Current position

Emeritus Professor of Finance, Warwick Business School (University of Warwick)

Previous positions

Professor of Finance, Warwick Business School, 2004-2008
Professor of Finance, Cass Business School (City University), 1988-2004
Senior Lecturer/Senior Research Fellow, Cass Business School (City University), 1977-88
Lecturer in Agricultural Economics, London University, 1976-77
Research Assistant/Associate, Dept. of Agricultural Economics, Michigan State University, 1972-5
Lecturer in Agricultural Economics, University of Malawi, 1969-71

Major Responsibilities

Director of PhD in Finance, Warwick Business School (2007 to 2008)
Head of Finance Group, Warwick Business School (2005 to 2007)
Head of Department of Banking and Finance, Cass Business School (City University), 1997-99
Director of MBA(Finance), Cass Business School (City University), 1986-91 and 1992-97

Other Appointments

Visiting Professor, Cass Business School, 2004 – 2010
Visiting Professor, University of Aix-Marseille II, 1985/6, 1986/7, 1991/2
Associate editor, Journal of Futures Markets, 1985-96
Associate editor, Journal of Banking and Finance, 1998-2007

Degrees

Ph.D. in Agricultural Economics, 1976, Michigan State University
M.A. in Economics, 1974, Michigan State University
M.Sc. in Agricultural Management, 1969, Reading University
B.Sc. in Agriculture (with honours) , 1968, London University

Research Interests

- behavioural finance and investment decisions
- structural models of credit risk and the connection of bond and equity markets
- derivatives: option smiles and risk-neutral distributions
- market microstructure: determinants of bid/ask spreads

Refereed Publications

“Explaining CDS prices with Merton’s model before and after the Lehman default”, with Miriam Marra, Journal of Banking and Finance, 106, 2019, 93-109.

“Are IPO investors rational? Evidence from closed-end funds”, with D.C. Thomas, European Journal of Finance, 23, (12), 2017, 1311-1334.

“The agency effect of repurchases on closed-end funds”, with J.An and D.C. Thomas, European Financial Management, 18, 2012, pages 240-270.

“Downside risk and the size of credit spreads”, with A. Keswani, Journal of Banking and Finance, 35, 2011, pages 2021-2036..

“The impact of corporate governance on closed-end funds”, with D.C. Thomas , European Financial Management, 12, (5), 2006, 725-746.

“What drives credit risk in emerging markets? The role of country fundamentals and market co-movements”, with Diana Diaz, Journal of International Money and Finance, 25 (3), 2006, 476-502

“Performance measurement with loss aversion”, with Mark Salmon and Soosung Hwang, Journal of Asset Management, 7 (3), 2006, 190-207.

“Noise Trading, Costly Arbitrage and Asset Pricing: Evidence from Closed-End Funds” (with D.C. Thomas), Journal of Finance, 57, 2002, 2571-2594.

“How Useful are Implied Distributions? Evidence from Stock-Index Options” (with A. Saflekos), Journal of Derivatives, 7, 2000, 83-99.

"Warrants on the London Stock Exchange: Pricing Biases and Investor Confusion", (with D.C. Thomas), European Finance Review (now Review of Finance), 1, 1997, 31-49.

"Did Option Traders Anticipate the Crash? Evidence from the U.K. with U.S. Comparisons", Journal of Futures Markets, 1996, 881-898.

"Transparency and Liquidity: A Study of Large Trades on the London Stock Exchange under Different Publication Rules", Journal of Finance, 51, 1996, 1765-1790.

"Margins and the Safety of Clearing Houses", Journal of Banking and Finance, 19, 1995, 979-996.

"Political Risk and Market Efficiency: Tests Based on British Stock and Options Markets in the 1987 Election”, Journal of Banking and Finance, 16, 1992, pp.211-231.

"Returns to Marketmaking on the London Traded Options Market" (with Paul Dawson), Review of Futures Markets, 9, (3), pp.667-680.

"Futures Trading and Finance in the Housing Market", Journal of Property Finance, 1, 1990, 196-207.

"Stock Options and the Volatility of the Underlying Shares", Journal of International Securities Markets, 3, 1989, 15-22.

"The Contribution of Futures and Options to a Revised Agricultural Policy", European Review of Agricultural Economics, 15, 1989, 457-475.

"Hedging Crude Oil: How Many Markets are Needed in the World?", Review of Futures Markets, 7, 1988, 556-571.

"The Forecasting Performance of the London Traded Options Market" (with Paul Dickins), Journal of Business Finance and Accounting, 13, 1986, 535-546.

"An Examination of the Efficiency of the London Traded Options Market" (with Paul Dickins), Applied Economics, 18, 1986, 995-1010.

"Forward Contracts or International Buffer Stocks? A Study of Their Relative Effectiveness in Stabilising Commodity Export Earnings", Economic Journal, 95, 1985, 400-417.

"Optimal Hedging on Futures Markets for Commodity Exporting Countries", European Economic Review, 27, 1985, 243-261.

"Using the Box/Cox Form for Estimating Demand", Review of Economics and Statistics, 62, 1980, 147-148.

"Form of Function, Taste and the Demand for Sugar in Seventy-Three Nations", European Economic Review, 13, 1980, 189-205.

"Estimating and Forecasting Agricultural Supply from Time-Series: A Comparison of Direct and Indirect Methods", European Review of Agricultural Economics, 5, 1979, 175-191.

"The Elasticity of Marketable Surplus of a Subsistence Crop: Comment", Economic Development and Cultural Change, 28, 1979, 175-177.

"Asymmetric Cobwebs and the International Supply of Cane Sugar: Reply", Journal of Agricultural Economics, 30, 1979, 75-77.

"Futures Markets, Hedging and International Commodity Agreements", Food Policy, 4, 1978, 313-315.

“Asymmetric Cobwebs and the International Supply of Cane Sugar”, Journal of Agricultural Economics, 29, 1978, 9-22.

“An Equilibrium Analysis of US Sugar Policy”, American Journal of Agricultural Economics, 59, 1977, 609-618.

Working Papers (mainly available at SSRN)

“Fund Mortality and Fair Discounts on Closed-End Funds” (with D.C. Thomas), January 2018.

“Behavioural Biases and the Pricing-Kernel Puzzle, July 2017.

“Why are some Issues of Convertibles Callable and Others not?”(with P. Ekkayokkaya and K. Koufopoulos), September 2012.

“Equity-index Options and CDOs, Before and After the Sub-Prime Crisis” (with Yiran Yang), June 2012.

“The Equity Smile and Credit-Spread Puzzles” (with YiranYang), March 2009.

“Catering for Dividends by Stripping Mutual-Fund Portfolios”, November 2004.

"A Comparison of Two Credit-Risk Models" (with Diana Diaz), December 2001.

“Market Efficiency and Election Forecasts: Stocks, Options, Polls and Bets in Four British Contests”, June 2000.

“International Transmission of Option Volatility and Skewness: When You’re Smiling Does the Whole World Smile?” (with Naoki Kamiyama), March 2000.

Books

Options Pricing: An International Perspective, (275 pages), McGraw Hill, 1992 (US edition, 1993).

Futures Trading in Commodity Markets, International Chamber of Commerce, Paris, 1983

Commodities and Financial Futures Yearbook (editor), ICCH, London, 1980 and 1981.

Book Chapters and Other Non-Refereed Publications

“Testing Merton’s Model for Credit Spreads on Zero-Coupon Bonds”, chapter in Contingent Claims Analysis in Corporate Finance, volume 3, edited by Michel Crouhy, Dan Galai and Zvi Wiener, World Scientific, 2018, 127-148.

“Gold in Central Bank Reserves”, World Gold Council Research Paper, 2005.

“Derivatives: Risks and Opportunities”, Chapter in Risk Management for Central Bankers, Central Banking Publications, London, 2000.

“Investment Trust Warrants: Pricing, Shareholder Value and Investor Confusion” (with D.Thomas), Professional Investor, May 1997, 19-23.

"Volatility" and "Black/Scholes" entries in the Blackwell Encyclopedia of Management, 1996, 81 and 898, also in Concise Version of Blackwell Encyclopedia of Management , Blackwell, 1998, 45 and 687-688.

"The Economic Function of Financial Derivatives", chapter in 1995 Moar Lectures, Catholic University of Milan, 1996.

"Publication of Large Trades on the LSE - the controversy continues", Compliance Monitor, 7, (10), 1995, 76-78.

Transparency and Liquidity: a study of large trade on the London Stock Exchange under different publication rules", Research Paper 7, Office of Fair Trading, November 1994.

"The Pricing of Euromarket Warrants on Japanese Stocks", in Taylor S.J. et al (eds), A Reconsideration of Market Efficiency, Springer Verlag, Berlin, 1989.

"Commodity Indexed Debt", Columbia Journal of World Business, 23, (4), Winter 1988, 57-62.

"A Primer on the Pricing of Options on Currencies and Short- Term Interest Rates", Investment Analyst, 81, 1986, 16-22.

"The Feasibility of New New Futures Markets in London for Commodities” (with Richard Cawley), London Clearing House (ICCH), March 1983.

“Regulating Futures Markets: A Review in the Context of British and American Practice”, Chapter 11 in Streit, M. (ed), Futures Trading, Blackwell, 1983.

“Prospects for a Steam Coal Futures Market”, in Guide to World Commodity Markets, Kogan Page, 1982.

“The Choice Between Options and Futures Contracts”, Investment Analyst, July 1981.

“Financial Futures: Rational Market or New Casino?”, National Westminster Bank Review, February 1981.

“An Equilibrium/Policy Model of the World Sugar Economy”, Chapter in Labys, W. (ed), Commodity Markets and Latin American Development, Ballinger/NBER, 1980.

“The World Sugar Economy”, Agricultural Economics Report No. 313, Michigan State University, 1976, 100 pages. (Also published by the US Department of Agriculture).

“The Economics of Farm Mechanisation in Developing Countries” (with Carl Eicher), Development Digest, 15, 1976, 39-47.

Languages

German spoken well, read well, written moderately

French spoken moderately, read well, written moderately