

Gertjan Verdickt obtained his Ph.D.

Promotors: JAN ANNAERT & MARC DELOOF (both: University of Antwerp)

Gertjan Verdickt obtained his Ph.D. on June 26th 2019. In his thesis, Gertjan tackles several key questions in financial economics. First, he focusses on the question “why do stock prices move over time”? In theory, stock prices should equal the expected discounted cash-flows. However, does the variation in stock prices come from changes in expected cash-flows or discount rates? Why is this important? From the standpoint of finance practitioners, understanding the risk-return relationship can improve tactical asset allocation decisions and is crucial to assess the potential of new projects. For academics, evidence in return and dividend growth predictability disputes classic asset-pricing theories.

Second, Gertjan addresses the question if managers adjust important decisions, such as dividend policy or the timing of initial public offerings, when the threat of war increases. For long-run investors, dividends form the largest part of the income. Having an understanding of managerial behavior, in particular when the disaster probability increases, is important for asset allocation decisions. Moreover, Gertjan tests whether changes in stock prices in time of increased military conflict are driven by changes in expected cash-flows or changes in discount rates. In general, Gertjan shows that time-varying expected returns and expected dividend growth are essential to understand stock price changes.