

Lira Mota

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Nationality: Brazilian, US permanent resident

Appointments

2023 - Present	Class of 1958 Career Development Professor , Assistant Professor of Finance, MIT Sloan
2022 - Present	Assistant Professor of Finance , MIT Sloan
2021 - 2022	Postdoctoral Research Associate, Julis-Rabinowitz Center for Public Policy & Finance at Princeton University

Education

2021	PhD in Finance, Columbia Business School, USA <i>Committee:</i> Tano Santos (chair), Kent Daniel, Olivier Darmouni, José Scheinkman, Jesse Schreger
2016	DSc in Economics, Graduate School of Economics, FGV, Brazil
2013	MSc in Economics, Graduate School of Economics, FGV, Brazil
2010	Bachelor in International Relations, University of Brasília, Brazil

Research

Publications

1. “The Savings of Corporate Giants ” with Olivier Darmouni. *Review of Financial Studies*, Forthcoming.
2. “Should Information be Sold Separately? Evidence from MiFID II” with Yifeng Guo. *Journal of Financial Economics*. October 2021, 97-126.
3. “The Cross-Section of Risk and Return” with Kent Daniel, Simon Rottke, and Tano Santos. *Review of Financial Studies*, 33(5), May 2020, 1927-1979.

Working Papers

3. “The Corporate Supply of (Quasi) Safe Assets” **R&R** in *Journal of Finance*

Investors value safety services in financial assets, such as the ability to serve as a store of value, to serve as collateral, or to meet mandatory capital and liquidity requirements. I present a model in which investors value safety services not only in traditional safe assets such as US Treasuries, but also in corporate debt. Shareholders thus maximize the value of the firm by complementing standard business operations with safe asset creation. Based on this theoretical framework, I use the CDS-bond basis to derive a measurement of the safety premium of corporate bonds. I document substantial cross sectional variation in the safety premium of corporate bonds, which allows me to test the model’s predictions. I show that a high safety premium leads to a marked increase in debt issuance by relatively safer firms. These debt proceeds have a small impact on real investment and are largely used instead for equity payouts. This mechanism can explain why, in the aftermath of the financial crisis, non-financial investment grade companies significantly increased their debt issuance and equity payout while investment remained weak.

4. “Service Flows in Euro Area Corporate Bonds” with Felix Corell and Melina Papoutsis (January, 2024).

Investors value financial assets not only for their cash flows, but also for the additional services they offer, such as collateral pledgeability, or meeting capital and liquidity requirements. The value of these services has traditionally been subsumed under “convenience yields.” We shed light on the nature of convenience yields by analyzing detailed price and holdings data of the euro area corporate bond market. We document persistent variations in these yields among different investor groups. Banks, insurers, and pension funds are typically at the forefront, but the European Central Bank (ECB)’s holdings gained the highest convenience yield following its corporate quantitative easing programs. Analyzing the ECB’s Corporate Sector Purchase Programme (CSPP), we find a surge in the convenience yield and demand for eligible bonds, especially among mutual funds. This underscores the significance of asset-specific services in driving convenience yields and the role they play in the transmission of monetary policy.

5. “Financially Sophisticated Firms ” with Kerry Siani (January, 2024).

Company capital structure extends far beyond the simple choice between debt and equity. In issuing publicly traded bonds, firms often employ complex entity structures, issuing diverse bond types with varying maturities, seniority, cash-flow structures, and covenants. In this paper, we document a significant dispersion in prices of bonds issued by the same parent company. Using detailed portfolio allocation data, we find evidence that the complex bond issuance structure employed by firms serves a dual purpose: it helps complete the market while simultaneously reducing the costs of capital to the firm.

Work in Progress

6. “The Financial Value of Moats” with Kent Daniel, Simon Rottke and Tano Santos.
7. “The Term Structure of Safety Premium” with Nick von Turkovich.
8. “The U.S. Factor in International Corporate Bonds Pricing” with Tomas Reis da Nobrega.
9. “Capital and Knowledge” with Tano Santos and Jose Scheinkman.

Conference and Seminar Presentations

2024 (scheduled)	The Backus Conference (UCLA)*, Bocconi Asset Pricing Conference, Federal Reserve Board, IESE Business School, INSPER Sao Paulo, Michigan Ross, Nova Lisboa, Porto University, Pompeu Fabra University, PUC Rio de Janeiro, Sao Paulo School of Economics (FGV EESP), University College London.
2023	RCFS Winter Conference, Sloan EFA Seminar, PUC Chile, Dartmouth, NBER Megafirms and the Economy, Junior Valuation Workshop, Junior Finance Conference on Valuations, WAPFIN, Booth Asset Pricing Conference, MIT Junior Finance Faculty Conference*, University of Georgia*, Cheung Kong Graduate School of Business*, Stanford GSB*
2022	NBER Summer Institute Capital Markets and the Economy, Inesper, Princeton Macro Seminar, University of Cambridge, Virtual Corporate Finance*
2021	AEA*, Anderson Business School UCLA, Berkeley Haas, BIS, Boston College, Chicago Booth, Columbia Business School, Macro Seminar at Columbia Business School, Darden Virginia University, Duke, EPGE, Federal Reserve of Chicago, Federal Reserve of New York, HEC Paris, Harvard Business School, Hong-Kong University, Kellogg Business School, London Business School, London School of Economics, MIT Sloan, Princeton University, Rice, Said Business School Oxford University, Stern NYU, Stanford Business School, Toronto University, University of British Columbia, University of Hamburg, University of Huston, University of Iowa, University of Washington, Utah University, Wharton Business School, Yale SOM.
2020	SBE, Macro Finance Research Program of the Becker Friedman Institute Summer Session, AFA poster presentation.
2019	SFS Cavalcade*, EFA*, TCU Finance Conference, SQA Fuzzy Day Conference, poster presentation Diamond-Dybvig 36th Anniversary Conference.
2018	Keos Capital, New Methods for the Cross Section of Returns Conference, EFA, EEA, AFA*, AQR, Stone Ridge AM, Bloomberg, Barclays.
2017	12th Annual Hedge Fund Conference, Imperial College, London.
2014	VIII Luso-Brazilian Finance Meeting, Vale do Douro.

Discussions

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| 2024 | AFA, " <i>Heterogeneous Intermediaries and Bond Characteristics in the Transmission of Monetary Policy</i> ", by Holm-Hadulla and Leombroni |
| 2022 | Colorado Finance Summit, " <i>How do Flows affect Prices? Evidence from an Experiment on the U.S. Stock Market</i> ", by Gallen and Gallen |
| 2022 | Cavalcade, " <i>Institutional Corporate Bond Pricing</i> ", by Bretscher, Schmid, Sen and Sharma
UNC Junior Finance Roundtable, " <i>Discount Rates: Measurement and Implications for Investment</i> ", by Gormsen and Huber |
| 2021 | EFA, " <i>Quantitative Easing and the Safe Asset Illusion</i> ", by Bechtel, Eisenschmidt, Ranaldo and Ventula |
| 2020 | Dauphine Finance PhD Workshop, " <i>Unbundling Research and Brokerage: Implications on Information Acquisition and Welfare</i> ", by Zhao and Zhao. |

Referee

Journal of Banking and Finance, Journal of Finance, Journal of Financial Econometrics, Journal of Financial Economics, Management Science, Review of Economic Dynamics, The Review of Economic Studies, and Review of Financial Studies.

Distinctions and Awards

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| 2023 | EFA Head Fund Junior Faculty Research Award |
| 2021 | AQR Top Finance Graduate Award
Best Paper Award at Copenhagen Macro Days Conference for " <i>The Corporate Supply of (Quasi) Safe Assets</i> " |
| 2015 | Brazilian Econometric Society best paper award in Finance for " <i>Short-Selling Restrictions and Returns: a Natural Experiment</i> " |
| 2014 | Anbima Prize of Capital Markets for best Brazilian Ph.D. thesis project in finance |

Grants

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| 2023 | Research Support by the Wade Fund |
| 2023 | Kritzman Goreman Fund |
| 2021 | Arora-Naldi Fellowship for job market candidate |
| 2020 | Chazen Research Grant for promising research projects that have implications for global business and the economy (second time) |
| 2019 | Deming Doctoral Fellowship to support research projects in partnership with a company
Chazen Research Grant for promising research projects that have implications for global business and the economy |
| 2017 | AFA Student Travel Grant |
| 2016 | Paul and Sandra Montrone Doctoral Fellowship |
| 2015 - 2020 | Doctoral Fellowship, Columbia Business School |
| 2012 - 2016 | CAPES Fellowship for DSc. Program in Economics |
| 2013 - 2014 | National Institute of Science and Technology Education Development and Social Inclusion grant
CAPES Fellowship for Master's Program in Economics |

Workshops and Summer Schools

2019	Mitsui Center Summer School in Structural Estimation
2018	Summer Workshop in Financial Economics of Insurance, Princeton University
2017	Wells Fargo Summer School in Liquidity in Financial Markets and Institutions
2017	Summer School in Behavioral Finance at Yale University

Teaching Experience

2023	MIT Sloan <ul style="list-style-type: none">• Asset Pricing, PhD course (15.470), Fall 2023 (shared with Larry Schmidt)• Managerial Finance, Undergraduate (15.401), Fall 2023 (×2)
2022	MIT Sloan <ul style="list-style-type: none">• Asset Pricing, PhD course (15.470), Fall 2022 (shared with Larry Schmidt)
2019 - 2020	Columbia Business School Teaching Positions: <ul style="list-style-type: none">• Big Data in Finance, PhD course, Spring 2019 and Spring 2020 (2.5 lectures)• Python Bootcamp, MS and PhD course, Summer 2019 and Summer 2020

Professional Experience

2012 - 2013	Research Consultant at BM&FBovespa Brazilian Stock and Derivatives Exchange
2010	Project Assistant at National Confederation of Industry, Brazil

Languages

Portuguese (Native), English (Fluent), Italian (Intermediate), Spanish (Intermediate).

Computer Skills

Python, R, MySQL, GIT, Matlab, Office.