Jean-Sébastien Fontaine

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Research Interests

How fixed income, exchange rate and equity markets work and their links with the economy.

Positions

2018 –	*Senior Research Advisor,* Bank of Canada
2015 –2017	*Research Advisor,* Bank of Canada
2011 – 2014	*Principal Researcher,* Bank of Canada
2008 – 2011	*Senior Economist,* Bank of Canada
1999 – 2001	*Analyst/Trader*, Credit Derivatives, London
2023 –2024	*Visiting Professor,* McGill University Desautels Faculty of Management

Education

2003-2008	Ph.D. Economics – Université de Montréal, Canada
1995-1999	B.Com (Joint Honors Economics & Finance)–McGill University, Canada
2009-present	Chartered Financial Analyst

Working Papers

Twin Stars: Neutral Rates and Currency Risk Premia

with Bruno Feunou and Ingomar Krohn.

What do Bond Investors Learn from Data Releases, R&R Journal of Finance

with Bruno Feunou and Guillaume Roussellet.

2019 SFA, 6*th* CAMF asset pricing workshop, 5*th* Western Annual Financial Econometrics Workshop, 2019 ESSEC Empirical Finance Workshop, 9*th* Bundesbank Term Structure Workshop, 2020, World Econometric Summer Conference, 2022 Midwest Finance Association conference, 2022 European Finance Association conference, 2022 CFE conference, 2023 SFS Calvacade, 2024 Western Finance Association conference.

Do S&P 500 Options Increase Market Volatility? Evidence from 0DTEs, R&R Review of Financial Studies

with Greg Adams, Chukwuma Dim, Bjørn Eraker, Chay Ornthanalai and Grigory Vilkov.

EFA, FIRS, WFA, SoFIE, Canadian Derivatives Institute, SAFE Microstructure Conference, Virtual Derivatives Workshop, Derivatives and Asset Pricing Conference in Cancun, Liverpool Workshop in Option Markets, Cboe Academic Roundtable, the University of Toronto, Federal Reserve Board, Frankfurt School, University of Porto, Collegio Alberto Alberto, Manchester University, University of Houston, Erasmus School of Economics, and seminars at Arrowstreet Capital, Deutsche Bank Quant Summit, and BlackRock Global Trading.

Journal Publications

Intermediary Leverage Shocks and Funding Conditions,

with René Garcia, Sermin Gungor; Journal of Finance, 2025.

Secular Economic Changes and Bond Yields,

with Bruno Feunou, Review of Economics and Statistics, 2023.

Tractable Term Structure Models,

with Bruno Feunou, Anh Le, Christian Lundblad, Management Science, 2022.

What Model for the Target Rate,

with Bruno Feunou, Jianjian Jin, Studies in Nonlinear Dynamics & Econometrics, 2019.

Measuring Limits to Arbitrage in Fixed Income Markets,

with Guillaume Nolin, Journal of Financial Research, 2019.

Implied Volatility and Skewness Surface,

with Bruno Feunou, Roméo Tédongap, Review of Derivatives Research, 2017.

Bond Risk Premia and Gaussian Term Structure Models,

with Bruno Feunou, Management Science, 2016.

Non-Markov Gaussian Term Structure Models: The Case of Inflation,

with Bruno Feunou, Review of Finance, 2014.

Risk Premium, Variance Premium, and the Maturity Structure of Uncertainty,

with B. Feunou, A. Taamouti, R. Tédongap, Review of Finance, 2013.

Bond Liquidity Premia,

with René Garcia, Review of Financial Studies, 2011.

OLDER PAPERS

Funding Risk, Market Liquidity, Market Volatility in the Cross-Section of Stocks, with René Garcia and Sermin Gungor.

What Fed Funds Futures tell us about Monetary Policy Uncertainty, 2016.

When Lower Risk Increases Profit: Competition, Default and Central Counterparties, 2013.

Discrete Choice Term Structure Models : Theory and Applications.

Contagion in Dealers' Network, 2022, *with Adrian Walton.*

BOOK AND OTHER PUBLICATIONS

Estimating the Policy Rule from Money Market Rates when Target Rate Changes are Lumpy, 2014—in Developments in Macro-Finance Yield Curve Modelling.

Advanced Topics in Macro-Finance Fixed Income Modelling, with René Garcia, 2016—in Handbook of Fixed Income; ed. Pietro Veronesi (University of Chicago).

How Much Risk in U.S. Government Bond Markets Is Transmitted to Their Canadian Counterparts?, with Bruno Feunou and Robert Hill, Risks, 2026.

BANK OF CANADA STAFF PAPERS AND NOTES

Crisis and Interventions

Improving the Resilience of Core Funding Markets (2009), with J. Selody and C. Wilkins

COVID-19 and Bond Market Liquidity: Alert, Isolation and Recovery (2020), with H. Ford and A. Walton

COVID-19 Crisis: Lessons Learned for Future Policy Research (2021), with C. Garriott, J. Johal, J. Lee and A. Uthemann

Will Asset Managers Dash for Cash? Implications for Central Banks (2025), with D. Cimon, J.-P. Dion and J. Sandhu

Bond Market

Access, Competition and Risk in Centrally Cleared Markets (2012), with H. P. Saiz and J. Slive

Foreign Flows and Their Effects on Government of Canada Yields (2015), with B. Feunou, J. Kyeong and J. Sierra

Do Liquidity Proxies Measure Liquidity in Canadian Bond Markets? (2017), with J. Gao, J. Sandhu and K. Wu

What Drives Episodes of Settlement Fails in the Government of Canada Bond Market? (2017), with J. Pinnington and A. Walton

Relative Value of Government of Canada Bonds (2019), with J. Sandhu and A. Walton

Will Exchange-Traded Funds Shape the Future of Bond Dealing? (2020), with R. Arora, C. Garriott and G. Ouellet Leblanc

The Boundaries of Bank Funding: The Case of Canadian Cash ETFs (2026)

Repo Market

Securities Financing and Bond Market Liquidity (2016), with C. Garriott and K. Gray

Repo Market Functioning when the Interest Rate Is Low or Negative (2017), with J. Hately and A. Walton

Price Caps in Canadian Bond Borrowing Markets (2019), with L. B. Soucy and A. Walton

The Dealer-to-Client Repo Market: A Buoy on a Swaying Sea (2025), with G. Adams, E. Dudley, S. Tchamova and A. Uthemann

A Buoy on Funding Tides: How Client Repo Demand and Dealer Constraints Lifted CORRA (2026)

Asset Managers and Pension Funds

Reaching for Yield or Resiliency? Explaining the Shift in Canadian Pension Plan Portfolios (2021), with S. Bétermier, N. Byrne, H. Ford, J. Ho and C. Mitchell

Interest Rates and Monetary Policy

Unconventional Monetary Policy: The Perspective of a Small Open Economy (2017), with L. Suchanek and J. Yang

The Secular Decline of Forecasted Interest Rates (2019), with B. Feunou

Macro News in Market Moves: Classifying News through Asset Co-movements (2026)

Exchange Rates

The Share of Systematic Variations in the Canadian Dollar—Part I (2016), with G. Nolin

The Share of Systematic Variations in the Canadian Dollar—Part II (2017), with G. Nolin

The Impact of Surprising Monetary Policy Announcements on Exchange Rate Volatility (2018), with A. Albogatchiev, J. Sandhu and R. Xie

The Share of Systematic Variations in the Canadian Dollar—Part III (2018)

Real Exchange Rate Decomposition (2022), with B. Feunou and I. Krohn

Monetary Policy, Interest Rates and the Canadian Dollar (2025), with I. Krohn, J. Kyeong, R. Vala and K. Zmitrowicz

Equity Markets

Canadian Stock Market since COVID-19: Why a V-Shaped Price Recovery? (2020), with G. Ouellet Leblanc and R. Shotlander

What Cured the TSX Equity Index after COVID-19? (2021), with G. Ouellet Leblanc and R. Shotlander

It Takes a Panel to Predict the Future: What the Stock Market Says about Future Economic Growth in Canada (2023), with G. Adams

Referee and Editorial Services

Associate Editor---Journal of Financial Research, 2019-

Referee---Journal of Finance, Review of Financial Studies, Journal of Econometrics, Journal of Quantitative and Financial Analysis, Management Science, Journal of Financial Econometrics, Journal of Business Economics and Statistics, Journal of Banking and Finance, Canadian Journal of

Economics, Actualité Économique.

Conference Organizer/Co-Organizer

2011	Workshop on Financial Intermediation and Market Dynamics
2012	Workshop on International Financial Markets (joint with Bank of Spain).
2013	4th Bank of Canada conference on Fixed Income Markets;
2013	Workshop on Tail Risk in Derivatives Markets (joint with IFSID)
2014	5th Risk Management Conference (joint with McGill University)
2015	Liquidity Risk in Asset Management Conference (joint with Rotman School of Management and Global Risk Institute);
2015	5th Conference on Fixed Income Markets (joint with the Federal Reserve Bank of San Francisco)
2016	6th Risk Management Conference (joint with McGill University)
2016	Annual Bank of Canada conference
2017	6th Conference on Fixed Income Markets (joint with the Federal Reserve Bank of San Francisco)
2019	Risk Conference – In memoriam for Peter Christoffersen
2019	7th Conference on Fixed Income Markets (joint with the Federal Reserve Bank of San Francisco)
2021	Fixed Income Markets online workshop (joint with the Federal Reserve Bank of San Francisco)
2022	Fixed Income Markets online workshop (joint with the Federal Reserve Bank of San Francisco)
2023	8th Conference on Fixed Income Markets (joint with the Federal Reserve Bank of San Francisco)

Teaching

2021	Visiting Professor—University of Toronto
2016 –2018	Visiting Professor – Université de Montréal, Canada
2017–	Advisory Board member – MFRM program, Rotman School, Canada
2018–2020	Lecturer (Ph.D. special topics)—Rotman School of Management
2006 – 2007	Instructor – Université de Montréal, Canada

Fellowships and Award

Banque Laurentienne Fellowship, Institut de Finance Mathématique de Montréal (IFM2),

Presentations

Bond Liquidity Premia

Econometric Society European Meeting – Budapest (Hungary), August 2007,

Econometric Society Summer Meeting – Duke University (USA), June 2007,

Society for Computational Economics – HEC Montréal (Canada), June 2007,

Canadian Economic Association – Halifax (Canada), June 2007.

Western Finance Association – San Diego (USA), June 2009.

Cirano Workshop on Liquidity – Montreal (Canada), January 2009

European Finance Association – Bergen (Norway), August 2009.

Fed Funds Futures and the Federal Reserve

Bank of Canada-Bank of Spain joint conference: *"Recent Advance in Fixed Income Modelling"*, Bank of Spain, July 2011.

London School of Economics (UK), August 2011.

CIMF-IESEG "*The Yield Curve and New Developments in Macro-finance*", Cambridge University, 2011.

Banque de France, June 2012.

EDHEC Nice, June 2012.

The Equity Premium and the Maturity Structure of Uncertainty

Duke University (USA), December 2009.

Cirano Workshop on Liquidity – Montreal (Canada), March 2011.

Northern Finance Association – Vancouver (Canada), September 2011.

Computational and Financial Econometrics – University of London (UK), December 2011.

Clarement-McKenna College, November 2011.

Funding Liquidity Risk and the Cross-Section of Stock Returns

London School of Economics – London (UK), November 2013.

American Finance Association – Philadelphia (USA), January 2014.

McGill University – Montreal (Canada), January 2014.

Society of Financial Econometrics annual conference – Toronto (Canada), June 2014.

Queens' University – Kingston (Canada), November 2014.

Econometrics Society World Congress – Montreal (Canada), June 2015.

Tractable Term Structure Models: A New Approach

Federal Reserve Bank of New York – May 2014.

McGill University, October 2014.

Banque de France, May 2015.

Federal Reserve Bank of San Francisco, November 2015

Bank of England, August 2016.

Secular Economic Changes and Bond Yields

Bundesbank Fixed Income Conference – 2019.

Asset Pricing Workshop, Centre for Applied Macro-Finance – 2019.