SWEDISH HOUSE OF FINANCE | STOCKHOLM SCHOOL OF ECONOMICS

Newsletter August 2025

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- Is passive investing quietly rewriting the rules of the market?
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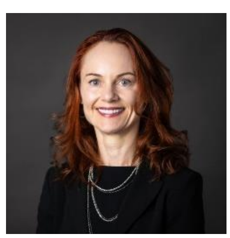
How Climate Change Hits Home: Risks and Responses for Households

Climate risks are reshaping homes, portfolios, and financial security. The SHoF Annual Conference on September 18, co-organized with the Centre for Economic Policy Research (CEPR), puts these challenges in focus.

The policy panel, moderated by **Michael Haliassos** (CEPR), brings together **Magdalena Håkansson** (AP1), **Åsa Knudsen Sterte** (SEB), **Gabriel Lundström** (Skandia), and **Marcus Svedberg** (Folksam) to examine how climate change impacts households, investments, and financial stability.

Register

The academic part of the conference takes place on September 19–20.

The sessions will feature academic presentations by leading international scholars. Full program

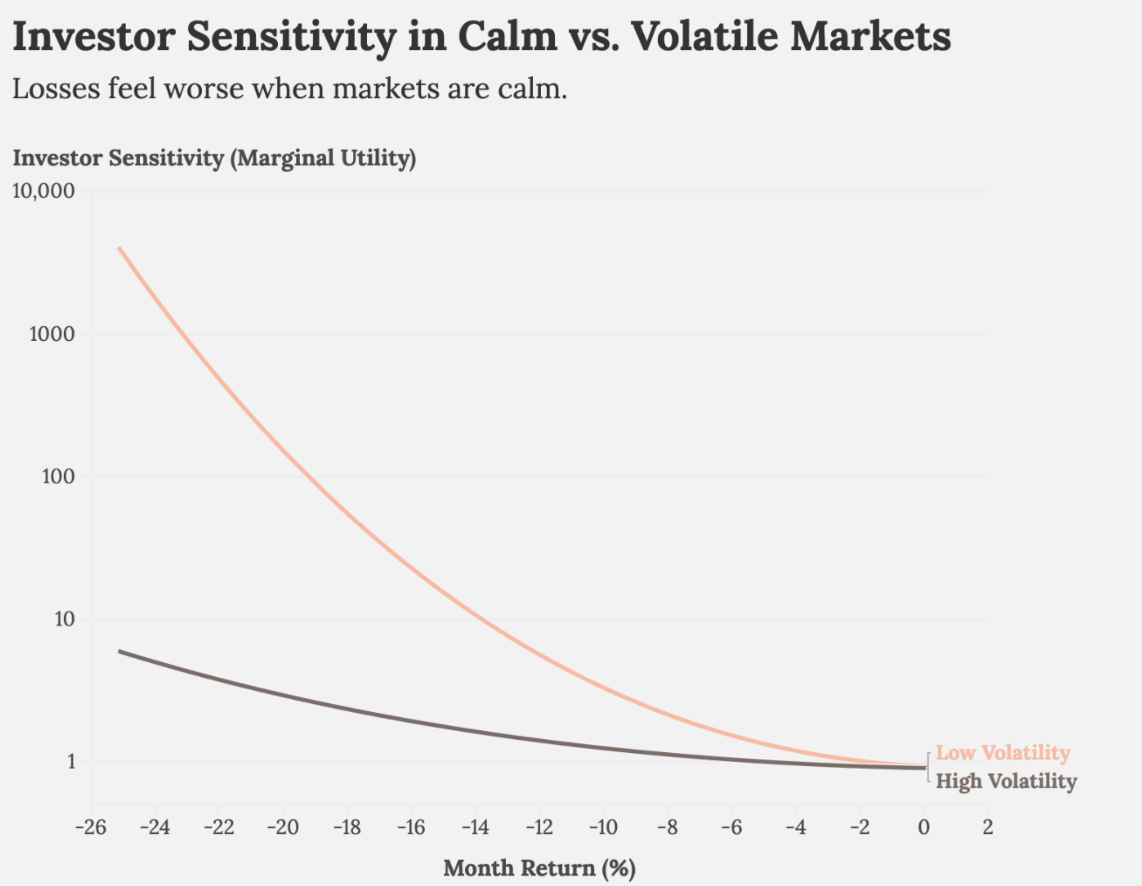
Register to CEPR

RESEARCH IN THE SPOTLIGHT

Investors Feel Losses More in Calm Markets, Study Finds, Challenging Core Models

A new study by **Tobias Sichert** (SHoF/SSE) and **David Schreindorfer** (Michigan State University) shows that the pain of losses depends on the market environment. Investors tend to react more strongly to losses during calm periods than in times of high volatility, challenging widely used economic models that assume risk is perceived uniformly. The findings raise questions for portfolio theory, asset pricing, and policy.

Read more



Source: Schreindorfer & Sichert (2024), 'Conditional Risk and the Pricing Kernel', Journal of Financial Economics • This chart shows how investors react to losses. The y-axis measures loss sensitivity from option prices: pink for calm, low-volatility markets; brown for turbulent, high-volatility markets. Sensitivity rises as losses grow, especially sharply in calm periods.

SWEDISH HOUSE OF FINANCE

NEWS

Finance Unpacked: Trade Credit

This month we launch Finance Unpacked, a new LinkedIn series that takes a closer look at fundamental financial and economic concepts. Our first focus is **trade credit**, a practice that plays a critical role in business-to-business transactions, cash flow, and supply chain stability.

What is Trade Credit?

VIDEO INTERVIEWS

Is Passive Investing Quietly Rewriting Rules of the Market?

Paul Huebner (SHoF/SSE) explains how the rise passive investment flows reshapes asset prices, market volatility, and investor behavior.

Watch here

From Financial Crisis to COVID: Sweden's Tax Deferral Program Shows Enduring Impact

Originally designed during the 2008 financial crisis, Sweden's tax deferral program proved invaluable again during COVID-19. What does this reveal about long-term policy resilience? **Gustav Martinsson** (SHoF/Stockholm University) discusses.

Watch here

UPCOMING EVENTS

Save the Date: Environmental Regulations and Industrial Structure

October 3: A one-day conference co-organized with SSE's House of Governance and Public Policy dedicated to how environmental regulation shapes industries, competitiveness, and innovation.

Read more

IN THE PRESS

In Stablecoins We Trust?
2025-08-12 • International • The Kicker
Adrien d'Avernas (SHoF/SSE) comments on the stability of stablecoins as adoption grows.

Billion Dollar Values Are at Risk When Environmental Risks Are Ignored
2025-08-11 • Swedish• FinansWatch
SHoF research by Anders Anderson (SHoF/SSE) on Swedish climate sentiment is mentioned.

Stock Markets Hit Record Highs – Despite Trump's Tariffs
2025-07-29 • Swedish • SVT
Bo Becker (SHoF/SSE) comments on market resilience amid U.S. trade tensions.

Trump's Attacks on Powell and the Fed Ripple Through Global Economy
2025-07-17 • International • The New York Times
SHoF senior fellow Stefan Ingves comments on escalating criticism of the Fed.

The Expert: This Is How Travelers Can Be Affected by the SAS Deal
2025-07-04 • Swedish • EFN Ekonomikanalen
Bo Becker (SHoF/SSE) comments on how the deal affects competition in the EU.

Criticism Against Mix Is Growing: "Is His Achilles Heel"
2025-07-03 • Swedish • Svenska Dagbladet
Per Strömberg (SHoF/SSE) on the importance of credibility in a trust-based society.
