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
2016	DSc and 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*, 37(10), October 2024, 3024–3049.

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

4. "The Corporate Supply of (Quasi) Safe Assets" **R&R** at *The Journal of Finance* (December 2025)

   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.

5. "Drivers of Convenience Yields" with Felix Corell, Matteo Leombroni, and Melina Papoutsi (December 2025).

   Credit spreads cannot be explained by default risk alone; a significant non-default component reflects the "convenience" of safe sovereign bonds. Using comprehensive eurozone bond and portfolio data, we estimate convenience premia for three key services—liquidity, regulatory capital, and collateral—decomposing AAA sovereign bond yields accordingly. Regulatory capital has been the dominant driver over the past decade,

reducing governments' cost of capital by 18 bps—one-fifth of average sovereign yields. Exploiting policy-induced shocks, we show these services shape asset prices and that monetary and regulatory policies significantly affect bond markets through a "convenience yield channel."

6. "The Liquidity Promise of QE" with Felix Corell, Federic Holm-Hadulla, Matteo Leombroni, and Melina Papoutsi. (December 2025).

   This paper uses confidential portfolio holdings data to show that corporate quantitative easing (QE) operates primarily through a liquidity demand channel. By acting as a standing buyer, the central bank enhances bond liquidity, raising demand from liquidity-sensitive investors. The impact on prices crucially depends on investor heterogeneity. Mutual funds rebalance toward eligible bonds, while banks and foreign investors are net sellers. As a result, mutual funds amplify the transmission of QE to bond prices. QE mainly compresses the CDS-bond basis with limited effect on default premia. Even during balance sheet unwinding, the implicit liquidity backstop persists, muting quantitative tightening effects.

7. "Financially Sophisticated Firms" with Kerry Siani (December 2025).

   Using comprehensive new data on firms, bond issuance, and portfolio holdings, we show that firms strategically choose their bond structures to simultaneously reduce their cost of capital and mitigate "financial fragility"—their exposure to investor demand shocks. By tailoring bonds to specific investor preferences, firms shape their bondholder composition and thereby manage their exposure to demand-based risks. Firms value low exposure to demand-based risk because it enhances resilience to credit shocks and creates firm value. However, because bonds with low demand risk trade at a discount, firms face a fundamental trade-off: they must choose between minimizing their cost of capital and reducing financial fragility. Our findings bridge asset pricing and corporate finance by demonstrating how bond supply endogenously responds to investor demand patterns.

8. "Betting on Credit Betas " with Tomas Nobrega (December 2025).

   Corporate bond payoffs are intrinsically non-linear, making it difficult for traditional factor models to explain the cross-section of bond returns. We combine a reduced-form affine term structure model with mean-variance portfolio allocation to propose a default-adjusted CAPM. Our framework introduces *credit betas*: a bond-specific measure of default risk easily derivable from bond analytics that maps directly to each bond's loading on priced systematic default risk. This approach allows us to perform risk adjustments without estimating bond-specific default probabilities, a notoriously difficult task. The adjustment implies that cross-sectional returns increase with credit betas and decrease with duration. Using US corporate bond data, we construct a strategy that shorts duration while going long credit beta, delivering a market-orthogonal Sharpe ratio of 1.1, roughly 2.5 times the duration-hedged market return.

9. "Demand for Safety in the Crypto Ecosystem" with Murillo Campello, Agela Gallo, and Tammaro Terracciano (December 2025).

   We study the demand for safety and liquidity in the crypto ecosystem. In an environment lacking frictionless access to traditional safe assets, we examine whether stablecoin lending pools provide liquidity services to investors. To do so, we develop a model in which a representative investor allocates liquidity between stablecoin lending pool deposits and traditional safe assets (e.g., MMF shares). The model delivers three predictions: (i) the stablecoin premium co-moves positively with the Treasury premium when investors value liquidity services of stablecoin pools, (ii) Treasury scarcity increases the stablecoin premium, and (iii) declines in the perceived liquidity of stablecoin pools — e.g., due to de-pegs or hacker attacks — reduce their premium. Our empirical results provide evidence consistent with these predictions. They suggest that investors treat stablecoin lending pools as money-like instruments and that shocks to traditional safe assets transmit to crypto markets. Our findings contribute to the literature on safe assets by showing how safety is intermediated in crypto markets. They also offer new insights into the segmentation and structure of decentralized finance (DeFi) as it evolves alongside traditional financial systems.

Conference and Seminar Presentations

Includes scheduled. (*) presented by co-author.

2026 **Seminars (including scheduled):** BIS, Florida University, Georgia Tech, London School of Economics, University of Liverpool.

Conferences (including scheduled): AFA*, BI-SHoF Conference, SBFin.

2025 **Seminars:** Chicago Booth, European Central Bank, MIT Sloan, UVA Darden.

Conferences: 5th Crypto Asset Lab Conference*, Annual Meeting of the Swiss Society for Financial Market Research*, BIS-CEPR-Gerzensee-SFI Conference*, BSE Summer Forum Safety, Liquidity, and the Macroeconomy* (2x), Cavalcade NA, Central Bank of Ireland-UCD-CEPR Conference on Macro-finance and financial stability policies*, EFA, IMF-IDB Fiscal Policy and Sovereign Debt Conference, Maryland Junior Finance Conference, Midwest Finance Association, RSCF Puerto Rico, SBfin, SNB-CIF Conference on Cryptoassets and Financial Innovation*, WFA.

2024 **Seminars:** Federal Reserve Board, IESE Business School, INSPER Sao Paulo, Michigan Ross, Norges Bank, Porto University, Pompeu Fabra University, PUC Rio de Janeiro, Sao Paulo School of Economics (FGV EESP), University College London, USC.

Conferences: The Backus Conference (UCLA)*, Bocconi Asset Pricing Conference, CEPR Asset Pricing Meeting Gerzensee, CEPR Winter Meeting in Paris (2×), Econometric Society European Meeting, FIRS, Junior Conference at UW-Madison, Midwest Finance Association*, NBER Corporate Finance Fall Meeting, Princeton Macrofinance Conference, SITE Financial Regulation Meeting*, Toronto Financial Economics Conference, Wharton Conference on Liquidity and Financial Fragility, Virtual Corporate Finance Seminar*.

2023 **Seminars:** Cheung Kong Graduate School of Business*, Dartmouth, MIT Sloan, PUC Chile, Stanford GSB*, University of Georgia*

Conferences: Booth Asset Pricing Conference, NBER Megafirms and the Economy, Junior Valuation Workshop, MIT Junior Finance Faculty Conference*, RCFS Winter Conference, WAPFIN

2022 *Maternity leave*

Seminars: Insper, Princeton Macro Seminar, University of Cambridge, Virtual Corporate Finance*

Conferences: NBER Summer Institute Capital Markets and the Economy

2021 **Seminars:** 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

Conferences: AEA*

2020 **Conferences:** SBE, Macro Finance Research Program of the Becker Friedman Institute Summer Session, AFA poster presentation

2019 **Conferences:** SFS Cavalcade*, EFA*, TCU Finance Conference, SQA Fuzzy Day Conference, poster presentation Diamond-Dybvig 36th Anniversary Conference

2018 **Conferences:** Kepos Capital, New Methods for the Cross Section of Returns Conference, EFA, EEA, AFA*, AQR, Stone Ridge AM, Bloomberg, Barclays

2017 **Conferences:** 12th Annual Hedge Fund Conference at Imperial College

2014 **Conferences:** VIII Luso-Brazilian Finance Meeting, Vale do Douro

Discussions

2025 EFA *"Anatomy of the Treasury Market: Who Moves Yields?"* by Manav Chaudhary, Julie Zhiyu Fu, and Haonan Zhou

2025 IMF Conference on Fiscal Policy and Sovereign Debt, *"Convenience Lost"* by Zhengyang Jiang, Robert J. Richmond, and Tony Zhang

2025 MFA, *"Network Factors for Idiosyncratic Volatility Spillover"* by Belinda (Chen) Chen

2025 MFA, *"A Preferred-Habitat Model with a Corporate Sector"* by Filippo Cavaleri

2024 NBER Summer Institute, Capital Markets and the Economy, *"Intermediary Balance Sheet Constraints, Bond Mutual Funds' Strategies, and Bond Returns"* by Giannetti, Jotikasthira, Rapp, and Waibel

2024 Kentucky Finance Conference, *"Can U.S. Treasury Market Add and Subtract?"* by Gomez-Cram, Kung, and Lusting.

2024 AFA, *"Heterogeneous Intermediaries and Bond Characteristics in the Transmission of Monetary Policy"*, by Holm-Hadulla and Leombroni

2023 Colorado Finance Summit, *"How do Flows Affect Prices? Evidence from an Experiment on the U.S.Stock Market"*, by Gallen and Gallen

2022 Cavalcade, *"Institutional Corporate Bond Pricing"*, by Bretscher, Schmid, Sen and Sharma

2022 UNC Junior Finance Roundtable, *"Discount Rates: Measurement and Implications for Investment"*, by Gormsen and Huber

2021 EFA, *"Quantitative Easing and the Safe Asset Illusion"*, by Bechtel, Eisenschmidt, Ranaldo and Ventula

2020 Dauphine Finance PhD Workshop, *"Unbundling Research and Brokerage: Implications on Information Acquisition and Welfare"*, 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

2025 Best Paper in Corporate Finance Award, SFS Cavalcade North America

2023 EFA Head Fund Junior Faculty Research Award

2021 AQR Top Finance Graduate Award

Best Paper Award at Copenhagen Macro Days Conference for *"The Corporate Supply of (Quasi) Safe Assets"*

2015 Brazilian Econometric Society best paper award in Finance for *"Short-Selling Restrictions and Returns: a Natural Experiment"*

2014 Anbima Prize of Capital Markets for best Brazilian Ph.D. thesis project in finance

Grants

2025	Junior Faculty Research Assistance Program
2024	Junior Faculty Research Assistance Program
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
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

2022 - 2024 **MIT Sloan**

- Asset Pricing, PhD course (15.470), Fall 2022, 2023, 2024 (shared with Larry Schmidt)

2023 **MIT Sloan**

- Managerial Finance (15.401), Fall 2023 ($\times 2$)

2019 - 2020 **Columbia Business School Teaching Positions:**

- 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

Languages

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

Computer Skills

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