

第七届泛海经济金融研讨会

The Seventh Fanhai Economics and Finance Workshop

2019年6月12日星期三 14:30 – 18:00
Wednesday, 12th June 2019

上海市黄浦区中山南路318号东方国际金融广场1009
1009, 318 S. Zhongshan Rd, Oriental Financial Plaza, Huangpu District

Schedule

Session 1 Paper Presentation Session Chair: Huasheng Gao, FISF

- 14:30 – 15:15 **Countercyclical Risk Aversion---Evidence from 10,000,000 Auto Insurance Policies in China**
By Huafeng (Jason) Chen, FISF
Abstract: A fundamental idea in modern asset pricing is that risk aversion may be time varying and countercyclical (Campbell and Cochrane 1999). Existing evidence is scant and based on experimental or survey data. We aim to test this key assumption using a large panel of real world transaction data. Risk aversion is imputed from Chinese auto insurance policies, including 10 million transactions from 2011 to 2017. Finally, individuals' risk aversion proves to be indeed time varying and countercyclical.
- 15:15 – 16:00 **Predicting Return Out of Sample: A Naïve Model Averaging Approach**
By Liang Jiang, FISF
Abstract: This article re-examines the return predictability problem raised by Goyal and Welch (2008). We develop a Naïve Model Averaging (NMA) approach to predict the market return. The primary findings are as follows: (i) The NMA applied to an Ordinary Least Square (OLS) model works better than the historical mean benchmark, at least when the OLS model works well in sample; (ii) The NMA can also improve out-of-sample predictive performance of forecasts with sensible restrictions as what Campbell and Thompson (2008) suggested; (iii) The Bayesian Model Averaging (BMA) approach fails to perform better than the NMA in general; (iv) Based on parameters calibrated from the true data, we show that model misspecification could be a reason explaining good performance of the NMA.
- 16:00 – 16:15 **Coffee Break**
- 16:15 – 17:00 **Overview of Exchange-traded Products & Markets Development**
By Hua Wang, HKEX
Abstract: Derivative are instruments that are designed to help financial institutions /individuals to manage their risks. Demand of exchange-traded derivatives is increasing worldwide. The talk will discuss the development of exchange-traded derivatives market, such as design of products, trading structures, market environment, regulatory trends, etc., with a focus on Hong Kong market which is tightly linked with mainland market. Some space is also devoted to a brief study of the trends and inspiration of global derivatives exchanges.

Session 2 Early-idea Presentation
Session Chair: Liang Jiang, FISF

17:00 – 17:15 **HIV at The Gate**
By Huasheng Gao, FISF

Abstract: China removed its travelling ban for HIV-positive foreigners to enter China in 2010. We empirically examine the effect of such a policy on HIV incidence in China. Based on a difference-in-differences approach, we find that China has experienced a dramatic increase in HIV incidence after this travelling ban is removed. This results are stronger for provinces with more foreigners and for provinces with weaker healthcare infrastructure. Our paper has important policy implication: China should resume such travelling ban.

17:15 – 17:30 **ETF Momentum**
By Chloe Chunliu Yang, FISF

Abstract: We document large momentum profits when sorting exchange-traded funds (ETFs) on returns over the past 24 to 48 months, horizons over which stocks historically exhibit return reversals. A value-weighted, long-short strategy based on ETF momentum delivers Carhart (1997) four-factor alphas of up to 1.20% per month. The ETF momentum profits survive adjustments for transactions costs and are more pronounced for large, heavily traded, liquid, and volatile ETFs. Moreover, the momentum profits slowly decay after portfolio formation and fully dissipate within five years.

17:30 – 17:45 **Are Alpha men in FOMC meetings Eagles or Doves?**
By Wenbin Wu, FISF

Abstract: Facial width-to-height ratio (fWHR), as a proxy for testosterone, has been associated with aggression and high risk-tolerance. We show that high- fWHR male FOMC voters are more likely to dissent for a looser policy. We attribute this result to the fact that a voter with higher fWHR tends to forecast a lower inflation rate, and thus more likely to dissent for a looser monetary policy.

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