

*2022 Fall NCU FN  
Mini-workshop*

*December. 20, 2022*



國立中央大學財務金融學系  
Department of Finance  
National Central University



## 2022 Fall NCU FN Mini-workshop

Chair

**Professor S. Ghon Rhee**

University of Hawaii, USA

### *Academic Positions (at University of Hawaii)*

2000–Present

Executive Director Asia-Pacific Financial Markets Research Center

Shidler College of Business, University of Hawai'i

2015–Present

K. J. Luke Distinguished Professor of International Banking and Finance

Shidler College of Business, University of Hawai'i

2012–2015

Shidler Distinguished Professor of Finance

Shidler College of Business, University of Hawai'i

1999–2012

K. J. Luke Distinguished Professor of International Banking and Finance

College of Business, University of Hawai'i

### *Education*

Ph.D., Finance, Graduate School, The Ohio State University

M.B.A., Graduate School of Business Administration, Rutgers University

B.A., College of Law, Seoul National University

*More Info*



For detailed information, please see the referred link or scan the QR code.

<https://reurl.cc/gOnkxp>

**2022 Fall NCU Mini-workshop****Chair: Professor S. Ghon Rhee, University of Hawaii, USA**

Date: Tuesday December 20, 2022

~Agenda~

<b>Time</b>	<b>Session Information</b>
10:00-11:40	Topic: Instrumented Expected Profitability Premium Keynote Speaker: Professor K.C. John Wei, The Hong Kong Polytechnic University, HK (On-line) Paper Link: <a href="https://reurl.cc/9160oY">https://reurl.cc/9160oY</a> Webex link: <a href="https://reurl.cc/OE5QR3">https://reurl.cc/OE5QR3</a>
11:40-13:40	<b>Lunch Time</b>
Session 1 13:40-14:20	Research Title: The Final Settlement Price Manipulation: Evidence of TAIEX futures and options Presenter: Professor Pei-Fang Hsieh, National Tsing Hua University, Taiwan Discussant: Professor Pei-Shih Weng, National Sun Yat-sen University, Taiwan Paper Link: <a href="https://reurl.cc/qZnadq">https://reurl.cc/qZnadq</a> Webex link: <a href="https://reurl.cc/10Xlzd">https://reurl.cc/10Xlzd</a>
14:20-14:30	<b>Tea &amp; Coffee Time</b>
Session 2 14:30-15:10	Research Title: New Product Introductions following Seasoned Equity Offerings Presenter: Jian-Jia Chiou, Nanyang Technological University, Singapore Discussant: Professor Chih-Yung Lin, National Yang Ming Chiao Tung University, Taiwan Paper Link: <a href="https://reurl.cc/GX5gry">https://reurl.cc/GX5gry</a> Webex link: <a href="https://reurl.cc/LX5eq4">https://reurl.cc/LX5eq4</a>
15:10-15:20	<b>Break Time</b>
Session 3 15:20-16:00	Research Title: Do Cryptocurrency Hedge Funds Outperform Stocks and Bonds for Most Risk-Averse Investors Presenter: Han-Yun Chen, National Central University, Taiwan Discussant: Professor Dien Giau Bui (Richard), Yuan Ze University, Taiwan Paper Link: <a href="https://reurl.cc/MX6Wak">https://reurl.cc/MX6Wak</a> Webex link: <a href="https://reurl.cc/ymDWbO">https://reurl.cc/ymDWbO</a>

**Afternoon sessions:**

Presentation: 25 minutes

Discussion: 10 minutes

Q&amp;A: 5 minutes

**Co-Organizers:** Po-Hsin Ho (NCU)

10:00-11:40	<b>Keynote Speaker</b>	
	Professor K.C. John Wei, The Hong Kong Polytechnic University, HK	
	Paper Link	<a href="https://reurl.cc/9160oY">https://reurl.cc/9160oY</a>
	<b>Instrumented Expected Profitability Premium</b>	
<b>Abstract</b>		
<p>Using instrumented principal component analysis (IPCA), we estimate the expected profitability from a conditional latent-factor model that depends on observable firm characteristics. The expected profitability predictors generated by the model are superior in forecasting future profitability outcomes as well as analyst forecast errors. Our estimates of expected profitability command a sizable return premium and largely subsume the profitability premium documented in the literature. Moreover, the expected profitability estimates in aggregate are related to future market returns and macroeconomic activities. An IPCA composite predictor aggregated from various expected profitability measures can effectively capture the expected profitability premium.</p>		
<p><i>Keywords:</i> Instrumented expectation; Expected profitability premium; Instrumented principal component analysis (IPCA)</p>		
<p><i>JEL Classification:</i> G11; G12; G14; G15; G41</p>		



## 2022 Fall NCU FN Mini-workshop

Keynote Speaker

**Professor K. C. John Wei**

The Hong Kong Polytechnic University, HK

### *Position*

2019–present Associate Dean, Faculty of Business, Hong Kong Polytechnic University

2016–present Chair Professor of Financial Economics, School of Accounting and Finance, Faculty of Business, Hong Kong Polytechnic University

2016–present Professor Emeritus, Hong Kong University of Science & Technology

### *Education*

Ph.D., Finance, Illinois at Urbana-Champaign University

M.S., Finance, National Chengchi University

B.E., Industrial Management, National Taiwan University of Science and Technology

### *Honors*

- Ranked No. 6 with PolyU as affiliated institution in the top JCF authors between 1994 and 2018 (Source: Baker, Kumar, and Pattnaik, 2021, “Twenty-five years of the Journal of Corporate Finance: A scientometric analysis,” *Journal of Corporate Finance* 66 (February), 101572.
- Frequent Award Winner since the first conference at the 2020 Conference on the Theories and Practices of Securities and Financial Markets (SFM), Kaohsiung, Taiwan, December 11-12, 2020.

For detailed information, please see the referred link or scan the QR code.

*More Info*



<https://reurl.cc/9160oY>

<p>Session 1 13:40-14:20</p>	<b>Presenter</b>	
	Professor Pei-Fang Hsieh, National Tsing Hua University, Taiwan	
	<b>Discussant</b>	
	Professor Pei-Shih Weng, National Sun Yat-sen University, Taiwan	
	Paper Link	<a href="https://reurl.cc/qZnadq">https://reurl.cc/qZnadq</a>
	<p><b>The Final Settlement Price Manipulation: Evidence of TAIEX futures and options</b></p> <p style="text-align: center;"><b>Abstract</b></p> <p>This study investigates the institutional investors who hold nonzero synchronous positions in both derivative and underlying stocks to increase contract payoffs. We show that the potential manipulators settle or offset their TAIEX futures and options and simultaneously trade the constituent stocks particular the top 10 weighted stocks of TAIEX at the futures and option expiration date. The evidence suggests that foreign institutional investors who trade in the stock market synchronously have a positive incremental value for their settlement and offset position. At settlement, the percentage of positive incremental value of their settled and offset futures and options is more than 50% higher than random. The average NT\$1 million buy-sell dollar imbalance of foreign institutional investors moves the TAIEX price by 250 basis points. These results remain robust following the change in the settlement price determination rule at the end of 2008.</p> <p><i>Keywords:</i> settlement price manipulation, futures, options, expiration date</p>	

**2022 Fall NCU FN Mini-workshop**

Presenter

**Professor Pei-Fang Hsieh**

National Tsing Hua University, Taiwan

***Position***

Associate Professor, Department of Quantitative Finance, College of Technology Management, National Tsing Hua University

***Education***

2004–2009 Ph.D., Finance, National Central University

2000–2002 M.A., Finance, National Central University

1996–2000 B.A., International Trade, Tunghai University

***Research Interest***

Effective market topics and information content in derivative market, empirical studies for derivative market, corporate finance topics for derivative market

***Publications***

Professor Hsieh has published several papers in leading academic journals, including Journal of Financial and Quantitative Analysis, Journal of Banking Finance, Journal of Financial Markets, Pacific-Basin Finance Journal, etc.

For detailed information, please see the referred link or scan the QR code.

*More Info*<https://reurl.cc/qZnada>



## 2022 Fall NCU FN Mini-workshop

Discussant

**Professor Pei-Shih Weng**

National Sun Yat-sen University, Taiwan

### *Position*

Associate Professor, Department of Finance, College of Management, National Sun Yat-sen University

### *Education*

2005–2011 Ph.D., Finance, National Central University

2002–2004 M.A., Finance, National Chung Hsing University

1996–2000 B.S., Civil Engineering, National Cheng Kung University

### *Research Interests*

Behavioral finance (related to individual investors), corporate governance, market microstructure, investments, CSR and green finance

### *Publications*

Professor Weng has published several papers in leading academic journals, including Journal of Banking Finance, Journal of Financial Markets, Journal of Futures Markets, Pacific-Basin Finance Journal, etc.

For detailed information, please see the referred link or scan the QR code.

*More Info*





<b>Session 2</b> <b>14:30-15:10</b>	<b>Presenter</b>	
	Jian-Jia Chiou, Nanyang Technological University, Singapore	
	<b>Discussant</b>	
	Professor Chih-Yung Lin, National Yang Ming Chiao Tung University, Taiwan	
	Paper Link	<a href="https://reurl.cc/GX5gry">https://reurl.cc/GX5gry</a>
	<p><b>New Product Introductions following Seasoned Equity Offerings</b></p> <p><b>Abstract</b></p> <p>This study provides empirical evidence showing that firms have larger new product introductions (NPIs) following seasoned equity offerings (SEOs) than non-issuing counterparts in support of the investment opportunity hypothesis. We argue that SEOs help firms mitigate underinvestment problem by capturing investment opportunities. Amid innovation process that is full of uncertainty, SEO proceeds are positively associated with increase in NPIs, especially for progressive products. In line with previous studies, we do observe significant increases in corporate investment and patenting as well. Additionally, SEO firms with more co-opted directors experience larger post-issue NPIs, suggesting that failure tolerance facilitates more new product innovation after financing. However, we do not find strong evidence upon innovation efficiency and product quality.</p> <p><i>Keywords:</i> Seasoned equity offerings, corporate innovation, product announcements, investment financing, real effects</p> <p><i>JEL Classification:</i> G14, G31, G32</p>	



**2022 Fall NCU FN Mini-workshop**

**Presenter**

**Jian-Jia Chiou**

**Nanyang Technological University, Singapore**

### ***Education***

- 2019–present Ph.D., Candidate, Banking and Finance, Nanyang Technological University
- 2017–2019 M.S., Finance, National Central University
- 2015–2017 B.B.A., Finance and Cooperative Management, National Taipei University

### ***Research Interests***

Empirical Corporate Finance, Corporate Governance, Institutional Investors, Behavioral Finance

### ***Publications***

- " A Taxonomy of Individual Liquidity Provision: Evidence from the Taiwan Stock Exchange ", 2020, Finance Research Letters(SSCI), with Xiaozhou Zhou and Chang Chan.
- " The Impact of Mandatory Corporate Social Responsibility Reporting on Liquidity and Risk ", 2021, Journal of Accounting Review, with Chang Chan, Chao-Hung Huang, and Wen-Chyan Ke.

For detailed information, please see the referred link or scan the QR code.

*More Info*



<https://reurl.cc/GX5gry>



## 2022 Fall NCU FN Mini-workshop

Discussant

# Professor Chih-Yung Lin

National Yang Ming Chiao Tung University, Taiwan

### *Position*

Professor, Department of Information Management and Finance, College of Management, National Yang Ming Chiao Tung University

### *Education*

Ph.D., Finance, National Taiwan University

M.S., Economics, National Chengchi University

B.S., Land Economics, National Chengchi University

### *Research Interests*

Capital market, Investment Strategy, Global Bank Research, Financial Institutions, political relations

### *Publications*

Professor Lin has published several papers in leading academic journals, including Journal of Financial Economics, Journal of Banking Finance, Journal of Money, Credit and Banking, Journal of Financial Intermediation, Journal of Corporate Finance, Journal of Empirical Finance, Journal of International Money and Finance, Journal of Economic Behavior & Organization, Journal of Business Finance and Accounting, Journal of Financial Stability, Pacific-Basin Finance Journal, etc.

For detailed information, please see the referred link or scan the QR code.

*More Info*



<p>Session 3 15:20-16:00</p>	<b>Presenter</b>	
	Han-Yun Chen, National Central University, Taiwan	
	<b>Discussant</b>	
	Professor Dien Giau Bui (Richard), Yuan Ze University, Taiwan	
	Paper Link	<a href="https://reurl.cc/MX6Wak">https://reurl.cc/MX6Wak</a>
	<p><b>Do Cryptocurrency Hedge Funds Outperform Stocks and Bonds for Most Risk-Averse Investors</b></p> <p style="text-align: center;"><b>Abstract</b></p> <p>The dramatic growth of digital markets has attracted hedge funds to invest in cryptocurrencies as one of the major assets. However, the high risk of such investment could suppress risk-averse investors' holdings of them. Our paper seeks to evaluate the performance of cryptocurrency hedge funds from the risk-averse investors' point of view. We adopt a non-parametric and utility-based measure, almost stochastic dominance, to compare the performance of cryptocurrency hedge funds with that of stocks and bonds. We find that for most risk-averse investors, cryptocurrency hedge funds dominate the S&amp;P 500 index, short-term bonds, as well as long-term bonds over 1- to 3-year investment horizons. In a diversified portfolio setting, we find that a high investment weight on cryptocurrency hedge funds is less likely to be dominated even over a short-term investment horizon. The analysis of abnormal returns suggests that most risk-averse investors would prefer a random choice of cryptocurrency hedge funds over the choice of the S&amp;P 500 index.</p> <p><i>Keywords:</i> Cryptocurrency, hedge funds, almost stochastic dominance, abnormal return, asset allocation</p> <p><i>JEL classification:</i> G11, G23</p>	

**2022 Fall NCU FN Mini-workshop**

Presenter

**Han-Yun Chen**

National Central University, Taiwan

***Education***

2020–present PhD., Candidate, Finance, National Central University

2015–2017 M.A., Risk Management and Insurance, Feng Chia University

***Research Interests***

Insurance, Risk Theory, Investment

***Working Papers***

- " Do Cryptocurrency Hedge Funds Outperform Stocks and Bonds for Risk-Averse Investors? ", with R.J. Huang
- " The Relationship between Underwriting Information and Insurers' Profitability – Evidence from Automobile Physical Damage Insurance in Taiwan ", with Liu, Chun-Ting, C.H. Chang,

***International Conference***

- Chen, H.H., R.J. Huang, 2022, Do Cryptocurrency Hedge Funds Outperform Stocks and Bonds for Risk-Averse Investors? The 49th Seminar of the European Group of Risk and Insurance Economists, Vienna, Austria.

*More Info*

For detailed information, please see the referred link or scan the QR code.

<https://reurl.cc/MX6Wak>



## 2022 Fall NCU FN Mini-workshop

Discussant

Professor Dien Giau Bui (Richard)

Yuan Ze University, Taiwan

### *Positions*

Assistant Professor, College of Management, Yuan Ze University

### *Education*

Ph.D., Finance, National Taiwan University

M.S., Finance, Yuan Ze University

### *Research Interests*

Corporate Finance, Asset Pricing, Household Finance, Banking

### *Publications*

Professor Bui has published several papers in leading academic journals, including Journal of Banking Finance, Journal of Empirical Finance, Journal of International Money and Finance, Journal of Financial Stability, etc.

For detailed information, please see the referred link or scan the QR code.

*More Info*



<https://reurl.cc/7jVEmb>