

Cong Wang

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Education

SAPIENZA UNIVERSITY OF ROME

PhD in Economics

Rome, Italy

Nov 2021 - Present

HSE UNIVERSITY

Ms in Finance

St. Petersburg, Russia

Sep 2018 - Jul 2020

SHENYANG LIGONG UNIVERSITY

Bs in Engineering

Shenyang, China

Sep 2012 - Jul 2016

Research Interests

- Climate Finance, ESG Investing, Causal Inference, Machine Learning

Academic Activities

University of California, Los Angeles

Visiting PhD student

Los Angeles, USA

Mar 2023 - Sep 2023

Barcelona School of Economics

Summer course

Barcelona, Spain

Jun 2022

University of Amsterdam

Exchange student

Amsterdam, Netherlands

Sep 2019 - Feb 2020

Academic Conference

Political Economy of Climate and the Environment Mini-Conference

University of California, Los Angeles.

Los Angeles, USA

Aug 2023

2023 North American Summer Meeting (NASM)

The Econometric Society.

Los Angeles, USA

Jun 2023

CCPR Differences-in-Differences Mini-Conference

University of California, Los Angeles.

Los Angeles, USA

May 2023

9th Asset Pricing Workshop

University of York, Center for Applied Macro-Finance.

Online

Jul 2022

Empirical Tools/Applications in Banking and Macro-Finance

Barcelona School of Economics, summer school

Barcelona, Spain

Jul 2022

Workshop on Demand System Asset Pricing

Held by Ralph S.J. Koijen and Motohiro Yogo.

Online

Jun 2022

Innovation, Growth, and International Production. Models and Data Analysis

Sapienza, University of Rome. Advanced Course 2022, 17th Edition.

Rome, Italy

May 2022

2019 International Banking Cycle

University of Amsterdam. Innovation and Sustainability of the Banking Industry.

Amsterdam, Netherlands

Oct 2019

Skills

- **Computer Language:** Python, R, Stata, Matlab
- **Human Language:** Chinese, English, Russian

Publications

Firms' Carbon Emissions and Stock Returns

working paper

- In recent years, the surge in unanticipated climate change risk has led to green assets outperforming their brown counterparts, a trend that contradicts the theoretical expectation that brown assets, exposed to higher risk associated with climate change, should achieve higher return compensations. This paper presents empirical evidence from the U.S. stock market, utilizing both portfolio and individual stock analyses, to elucidate this discrepancy. Our findings reveal that, from 2002 to 2021, green portfolios, characterized by lower carbon emissions, consistently outperform brown portfolios. Similar patterns are observed at the firm level. We propose that unexpected concerns about climate change have shifted market preferences, leading to a differential demand shock for green and brown assets. This shift in preference is a key factor driving the superior performance of green assets over their brown counterparts.

Sustainability Pays Off: Investigating the Impact of ESG Scores on Corporate Financial Performance

work in progress

- This study analyzes a comprehensive dataset across various companies, industries, and countries, employing rigorous econometric techniques. The findings reveal a statistically significant and positive relationship between lagged ESG scores and financial performance, persisting over time and across diverse contexts. The robustness of the results highlights the importance of sustainability for companies worldwide. Additionally, the study explores the underlying mechanisms through which ESG factors influence financial performance. These findings have crucial implications for investors looking to integrate ESG considerations into their strategies and for companies striving to enhance their sustainability practices and achieve long-term financial success in an increasingly responsible business landscape. The research emphasizes the enduring and beneficial association between ESG scores and financial performance, urging the adoption of sustainable practices on a global scale.

Multi-Measure Stock Return Prediction Using Neural Network Models

forthcoming on *Financial Innovation*

- In the field of empirical asset pricing, the challenge of high dimensionality, non-linear relationships, and interaction effects has led to the increasing popularity of machine learning (ML) methods. While these methods have primarily been used for predicting stock excess returns, it is essential to underscore the economic significance of stock abnormal returns derived from various factor models. This paper aims to investigate the performance of ML methods when predicting different measures of stock returns from various factor models, while also delving into the feature importance and interaction effects among firm-specific variables and macroeconomic factors in this context. Our findings reveal that neural network models exhibit consistent performance across different measures of stock returns when solely relying on firm-specific characteristic variables. However, the inclusion of macroeconomic factors, from the financial market, real economy activities, and investor sentiment, leads to substantial enhancements in model performance. Notably, the degree of improvement varies depending on the specific measures of stock returns under consideration. Furthermore, our analysis indicates that after the inclusion of macroeconomic factors, there exists a dissimilarity in model performance, variable importance, and interaction effects among macroeconomic and firm-specific variables, particularly concerning abnormal returns derived from the FF3 and FF5 models compared to excess returns. This divergence is primarily attributed to the extent to which these factor models have removed the variance associated with macroeconomic variables. These findings collectively offer valuable insights into the efficacy of neural network models for stock return prediction and contribute to a deeper understanding of the intricate relationship between factor models, stock returns, and macroeconomic conditions in the domain of empirical asset pricing.

Scholarships and Awards

University of Rome International Mobility Scholarship	2022
University of Rome fully founded Ph.D. scholarship	2021
QTEM Honored Graduate Diploma	2020
HSE University International Mobility Scholarship	2019
HSE University Scholarship	2018

Reference

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