

DIJUN LIU

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Education

2019-2023 (Expected)	Ph.D. in Economic Analysis, Universitat Autònoma de Barcelona (UAB)
2017-2019	M.A. in Economic Analysis, Universitat Autònoma de Barcelona (UAB)
2013-2017	B.A. in Economics, Zhongnan University of Economics and Law (ZUEL)

Fields of Interests

Empirical Asset Pricing, Market Anomalies

Research

Job Market Paper

What Drives Behavioral or Mispricing-based Factors?

Working Papers

What Drives the Short Duration Premium

Intangible Capital and the Value-Growth Anomaly

Volatility-Managed Portfolio Performance: An Empirical Analysis

Seminars and Conferences

2022	Universitat Autònoma de Barcelona (Applied working group), BSE PhD Jamboree
2021	Universitat Autònoma de Barcelona (Applied working group), ENTER PhD Jamboree (discussant)
2020	Universitat Autònoma de Barcelona (Applied working group)

Research Experience

Spring 2021	Development Economics, UAB, RA for Prof. Andre Groeger
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Teaching Experience

Fall 2021	Microeconomics II, UAB, Masters, TA for Prof. Ramon Caminal
Fall 2019, 2020, 2021	Probability and Statistics, UAB, Masters, TA for Prof. Jordi Caballe
Fall 2016	Macroeconomics, ZUEL, undergraduate, TA for A/Prof. Yin Chu

Other Experience

2021	European Winter Meetings of the Econometric Society (student helper)
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Fellowships and Awards

2020-2023	FI-AGAUR Predoctoral Fellowship, Generalitat de Catalunya and European Social Fund
2017-2019	Master Track Fellowship, BSE
2016	Outstanding Undergraduates, ZUEL
2015-2016	Annual Third-Class Scholarship, ZUEL
	National Endeavor Fellowship, Ministry of Education of the People's Republic of China
2014-2015	Annual Third-Class Scholarship, ZUEL
	National Endeavor Fellowship, Ministry of Education of the People's Republic of China
2013-2014	The Third-Class Prize in school empirical innovation projects, ZUEL
	Outstanding Volunteer, ZUEL
	Annual Second-Class Scholarship, ZUEL
	National Endeavor Fellowship, Ministry of Education of the People's Republic of China

Skills

Languages: Chinese (native), English (fluent)
Programming: Python, Stata, R, \LaTeX

References

Abhay Abhyankar (supervisor)	Michael Creel (tutor)	Jordi Caballé
Professor of Finance	Professor of Economics	Professor of Economics
MOVE, UAB and BSE	UAB and BSE	UAB and BSE
abyanka@gmail.com	michael.creel@uab.es	jordi.caballe@uab.es

Personal Information

Born: 30 March 1995.
Citizenship: Chinese.

Abstracts

1. “What Drives Behavioral or Mispricing-based Factors? (Job Market Paper)”, 2022

Abstract: Factor models are important to explain returns and to calculate the required rate of return. We analyze the risk associated with the outstanding mispricing factors proposed recently that outperform other factor models in explaining a broad range of return anomalies. Present variance decomposition suggests that cash flow news is the main driver for all of these factors and their mean-variance efficient portfolios. The explanatory power of these factors stems from the ability of their cash flow news to explain anomalies’ unexpected return news. The beta analysis also indicates that the cross-sectional variation of market beta comes from the variation in cash flow components of beta.

2. “What Drives the Short Duration Premium”, 2021

Abstract: Equity duration is the present value weighted cash flow maturity. It measures the sensitivity of the price to the change of interest rate. Using a present value decomposition approach, I calculate the contribution of cash flow news and discount rate news to the unexpected returns for portfolios based on equity duration. Surprisingly, the cash flow news is the main driver across portfolios that are composed of stocks with long duration or short duration. Stocks characterized by a shorter duration earn return premium over stocks with a longer duration. Though the short duration premium embeds value premium, it cannot be a substitute for the intangible adjusted book-to-market ratio. Portfolio analyses indicate that the premium is concentrated on small stocks and stocks that are possibly short-sale constrained.

3. “Intangible Capital and the Value-Growth Anomaly”, 2020

Abstract: In this chapter, I study the variation of the book-to-market (B/M) ratio across firms and over time. The B/M ratio, a firm characteristic defined as the book value over the market value of equity, plays an important role in finance theory and practice. I first replicate and extend the Chapter of “Value Premium” in n Bali, Engle, and Murray (2016). Second, recent work debates whether the B/M ratio should also account for intangible capital. I estimate three versions of internally generated intangible capital, use it to adjust B/M ratio, and confirm that including intangible capital does improve the performance of the value strategy. One of the contributions of this paper is to compare methods to estimate intangibles. The long-short value premium and the cumulative return of HML factor favor $bm^{Eisfeldt}$ compared with bm^{Peters} and bm^{Ewens} . Nevertheless, none of them can expand the mean-variance frontier spanned by four other factors, and they all experience persistent drawdowns in recent decades. Third, to delve into the time-series and cross-sectional behavior of B/M ratio and its associated value premium, I conduct two sub-sample analyses: pre- or post-1999 analysis and high tech sector or not analysis. The pre- or post-1999 analysis indicates that the positive relationship between all the four versions of B/M and future stock returns is much weaker post-1999. High tech sector or not analysis does not corroborate the argument that the death of value strategy is caused by the conservative accounting biases in book value. The selection of a better estimation method for intangibles is hampered as it changes across contexts. Last, I show that instead of using intangible capital to adjust book value, leveraging the ratio of intangible capital over market value can deliver HML factors which feature much higher cumulative returns and smaller drawdowns in recent decades. The drawdowns of HML factors are closely associated with the change of relative valuation.