

David Xiaoyu Xu

Phone: +1 (512)-354-6159

E-mail: xyxu@mcombs.utexas.edu

Personal Website: davidxiaoyuxu.com

McCombs School of Business, 2110 Speedway, Stop B6600, Austin, TX 78712

EDUCATION

McCombs School of Business, University of Texas at Austin

M.S., Ph.D. in Finance (expected)

2016–2022

Dissertation Committee:

Sheridan Titman (co-chair)

Professor of Finance

University of Texas at Austin

(512)-232-2787

sheridan.titman@mcombs.utexas.edu

Daniel Neuhaus (co-chair)

Assistant Professor of Finance

University of Texas at Austin

(512)-232-9375

daniel.neuhaus@mcombs.utexas.edu

Aydoğan Altı

Associate Professor of Finance

University of Texas at Austin

(512)-232-9374

aydogan.alti@mcombs.utexas.edu

Clemens Sialm

Professor of Finance

University of Texas at Austin

(512)-232-6835

clemens.sialm@mcombs.utexas.edu

Renmin University of China

M.Phil. in Finance

2016

Shanghai University of Finance and Economics

B.A. in Economics

2013

RESEARCH INTERESTS

Primary: Financial Intermediation, Asset Management, Financial Regulation

Secondary: Corporate Finance, Information Economics

JOB MARKET PAPER

Financial Market Structure and the Supply of Safe Assets: An Analysis of Leveraged Loan Market

I study dynamic collateral management in a setting where financial intermediaries can replace deteriorated loans through secondary market trading. Such trades increase the supply of safe assets beyond the level produced by static pooling and tranching. However, collateral substitution generates investment and financing externalities across intermediaries, resulting in an inefficiency: too many intermediaries issue safe debt, but they underproduce safe assets relative to a constrained efficient benchmark. Simple policy interventions targeting only one side of intermediary balance sheets may exacerbate the inefficiency. I apply the model to analyze the leveraged loan market and recent regulatory changes on collateralized loan obligations.

OTHER PAPERS

The Geography of Information Acquisition (with Honghui Chen, Yuanyu Qu, Tao Shen, and Qinghai Wang), *Journal of Financial and Quantitative Analysis*, forthcoming

Using detailed data on company visits by Chinese mutual funds, we provide direct evidence of mutual fund information acquisition activities and the consequent informational advantages mutual funds establish in local firms. Mutual funds are more likely to visit local and nearby firms both in and outside of their portfolios, but the ease of travel between fund and firm locations can substantially alleviate geographic distance constraints. Company visits by mutual funds are strongly associated with both fund trading activities and fund trading performance. Our results show that geographic constraints and costly information acquisition amplify information asymmetry in financial markets.

Fund Flows in the Shadow of Stock Trading Regulation (with Xiang Kang)

Trading suspension, a widely adopted regulatory rule, prevents information from being incorporated into stock prices. Using a sample of 3,205 long-lasting suspension events between 2004–2018, we show that mutual funds holding suspended stocks generally fail to adjust for stale prices, generating stale net asset values (NAVs). We find that investors exploit predictable fund performance that quickly realizes after trading resumes: flows positively respond to firm-specific news about suspended stocks in fund portfolios. Portfolio disclosure plays a key informational role in distorting flows. Our findings suggest that regulatory interventions on trading activities can create negative externalities among mutual fund investors.

WORK IN PROGRESS

“Testing the Waters? The Feedback Between Investors and Corporate Investment” (with Xiaogang Bi and Sheridan Titman)

“Why So Many Mutual Funds: Organizational Structure of Mutual Fund Families” (with Jennifer Huang, Zhigang Qiu, and Yuehua Tang)

HONORS AND AWARDS

Best Paper Award, Conference on Asia-Pacific Financial Markets, 2021

SYLFF Fellowship for International Business Research, 2021–2022

William W. and Ruth F. Cooper Endowed Presidential Fellowship in Business, 2019–2021

AFA Travel Grant, 2020

Dr. James C. Dolley Endowed Presidential Scholarship, 2018

Jastrow Fellowship Award, University of Texas at Austin, 2016

Guanghua Scholarship, Renmin University of China, 2015

Mark J. Bertus Best Paper Prize (runner-up), JURF, 2012

China National Scholarship, Ministry of Education of China, 2011

TEACHING EXPERIENCE

Instructor:

- Investment Management (Undergrad) 2019
- Evaluation: 4.6/5.0, McCombs teaching excellence award nomination

Teaching Assistant:

- Financial Modelling & Testing (MSBA) by Professor Sheridan Titman 2020
- Investment Theory & Practice (MSBA) by Professor Sheridan Titman 2019, 2020
- Advanced Corporate Finance (MSBA) by Professor Aydogan Altı 2020
- Corporate Finance Theory (PhD) by Professor Aydogan Altı 2019, 2021
- Investment Management (Undergrad) 2017–2019
- Money and Capital Markets (Undergrad) by Professor Tim Landvoigt 2016

PRESENTATIONS

2021: Princeton Young Economist Symposium, PhD Symposium on Financial Market Research & Policy Developments, FMA Doctoral Consortium Paper Session, AEA Poster Session, CICF, CAFM

2020: MFA, AFA Poster Session, AFBC PhD Forum

2019 and before: Professional Asset Management Conference, CICF, Energy and Commodity Finance Conference, FMA

PROFESSIONAL ACTIVITIES

Finance Theory Group Summer School, MIT Capital Markets Research Workshop, Mitsui Center Summer School on Structural Estimation in Corporate Finance

ADDITIONAL INFORMATION

Programming: SAS, Julia, Mathematica, Matlab, Stata, T_EX

Language: English (fluent), Chinese (native)

Passed level II of the CFA Program, 2014

Last update: December, 2021