JUSTIN SEONGJIN KIM

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EDUCATION

Texas A&M University   College Station, TX
 Ph.D. in Business Administration – Finance, May 2024 (Expected)

Yonsei University   Seoul, South Korea
 M.S. in Business Administration – Finance, 2017

The University of Sydney   Sydney, Australia
 B.Com. in Economics and Finance, 2014

RESEARCH INTERESTS

 Empirical Asset Pricing, Market Microstructure, Macro-Finance

WORKING PAPERS

[1] Counterparty Risk and Cross-market Price Discovery: Evidence from a Quasi-natural Experiment *(Job Market Paper)*

Abstract: Over the past decade, the Credit Default Swap (CDS) market structure has changed from a traditional bilateral contract environment to central clearing after the Dodd-Frank Act. This study examines the impact of central clearing on the information quality of single-name CDS. Using the gradual introduction of the central counterparty as market efficiency shocks under the staggered difference-in-difference framework, I provide causal evidence that the predictability of corporate bond return via CDS spread innovations is significantly enhanced when the CDS is included in the central counterparty. Consistent with a hypothesis that the central clearing counterparty improves CDS market efficiency by reducing counterparty risk and associated costs, delayed price discovery is evident in the relatively inefficient market. An ensuing analysis examines the overall economic significance of cross-market price discovery based on trading strategies. For corporate bonds with centrally cleared CDS, an increase in CDS spread significantly underperforms those with a decrease in CDS spread by 4.33% per year, which is not explained by risk compensations.

[2] How to (Properly) Compute Credit Default Swap Returns (with L. Kang, H. Kim, and S. Sorescu)

Abstract: This paper proposes empirical methods to measure Credit Default Swap (CDS) return and explores its factor structure. We find that approximated CDS returns deviate significantly from actual returns based on the upfront fee, computed with protection sellers' cash flows. Past CDS returns and the skewness positively predict CDS returns, suggesting that CDS buyers have lottery preferences and CDS sellers are either overconfident or speculative in trading. Conventional pricing factors have weak explanatory power. Corporate bonds have spillover effects on future CDS returns in that a zero-cost portfolio sorted by statistical moments of past bond returns explains the CDS cross section.

WORK IN PROGRESS

[3] Explaining Stock Market Anomalies with Equity Duration

[4] Policy Uncertainty and the Term Structure of Market Volatility (with T. Sekhposyan and M. Song)

PUBLICATION

[5] Risk Aversion, Uncertainty, and Monetary Policy in Zero Lower Bound Environments (with J. Hahn and W.W. Jang), *Economics Letters* 156 (2017): 118-122.

TEACHING EXPERIENCES

Instructor, Department of Finance, Texas A&M University
- Money and Capital Market (FINC381)   Fall 2023
- Survey of Finance Principles (FINC409)   Spring, Summer, Fall 2021
- Ph.D. Finance Bootcamp: Programming in finance research   Summer 2020, Summer 2021

Teaching Assistant, Department of Finance, Texas A&M University
- Investment Analysis (FINC351), Prof. Philipp Illeditsch   Spring 2022
- Stochastic Methods in Finance (FINC689), Prof. Philipp Illeditsch   Spring 2022
- Valuation (FINC443, FINC 605), Prof. Shane Johnson   Fall 2020, Fall 2021, Fall 2022
- Investment Analysis (FINC351), Prof. Marco Rossi   Fall 2019
- Money & Capital Markets (FINC381), Prof. David Skeie   Fall 2018

HONORS AND AWARDS

Dean's Award for Outstanding Research, Texas A&M University	2022
Finance Department Fellowship, Texas A&M University	2018 – Present
Teaching & Research Assistantship, Yonsei University	2015 – 2018

PROFESSIONAL SERVICE

Referee: Journal of Money, Credit and Banking (JMCB)

SKILLS

Computer: Matlab, Python, R, Stata, SAS, Linux, LaTeX, Cluster computing with HPC
Languages: English (Fluent), Korean (Native)

PERSONAL

Citizenship: Republic of Korea (South Korea)
Legal Name: Seongjin Kim

NON-ACADEMIC EXPERIENCE

Mechanized infantry (Full time), Republic of Korea Army	2010 – 2011

REFERENCES

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