# 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*: The frictionless perfect market suggests that investors are indifferent to trading in the corporate credit default swap (CDS) market and the corporate bond market. I find that when investors receive news about the credit risk of a company, they prefer to trade in the CDS market over the corporate bond market. Using the gradual introduction of the central counterparty (CCP) after the Dodd-Frank Act, I show that shocks reducing costs of mitigating counterparty risk enhance cross-market price discovery. Furthermore, I investigate the overall economic significance of cross-market return predictability. On average, corporate bonds with an increase in CDS spread significantly underperform those with a decrease in CDS spread by 5.52% per year, which is not explained by conventional risk factors.

**[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 — 2017 – 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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**Yong Chen**
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