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EDUCATION

University of Zurich, Ph.D. in Finance, Department of Banking and Finance	2017 - 2023
Tilburg University, MSc in Econometrics	2016 - 2017
Renmin University of China, B.A. in Mathematics and B.A. in Finance	2012 - 2016

RESEARCH FIELDS

Corporate Finance, Financial intermediation, Applied Econometrics, Machine Learning

JOB MARKET PAPER

Difference-in-Differences with Economic Factors and the Case of Housing Returns

Coauthored with Per Östberg

This paper studies how to incorporate economic factors in difference-in-differences and document their empirical relevance. We show that even under random assignment directly adding factors with unit-specific loadings into the difference-in-differences estimation results in biased estimates. This bias, which we term the "bad time control problem" arises when the treatment effect covaries with the factor variation. Researchers often control for factor structures by using: (i) unit time trends, (ii) pre-treatment covariates interacted with a time trend and (iii) group-time dummies. We show that all these methods suffer from the bad time control problem and/or omitted factor bias. We propose two solutions to the bad time control problem. To evaluate the relevance of the factor structure we study US housing returns with bank deregulation. Proper control of macroeconomic factors significantly lowers the over-rejection rate of the bank deregulation index from 34% to 7%, and the estimated factor loadings differ systematically across different geographic regions. This results in substantially altered treatment effects.

WORKING PAPERS

Firm Commonality and Inference in Corporate Finance

In this paper, I explore latent connections among firms and their implications for empirical work. These connections can be motivated by competition, peer effects, supply chains, or common factors. I introduce a spatial framework that captures these relations in a corporate landscape, using product similarity (Hoberg and Philips, 2016) as a proxy for firm commonality. I find that firm commonality has significant explanatory power of corporate outcomes such as capital expenditure and cash holdings, altering the interpretation of commonly used explanatory variables. Further, omitting firm commonality leads to significantly correlated error terms. I show that the widely used firm-clustered standard errors reject up to 95%, which is dramatically higher than the designed 5%. Finally, I provide a bootstrap solution of standard errors to address the over-rejection problem caused by firm commonality.

Memory and Analyst Forecasts: A Machine Learning Approach

Coauthored with Zhongtian Chen

We develop a machine learning (ML) approach to establish new insights into how memory affects financial market participants' belief formation processes in the field. Using analyst forecasts as proxies for market beliefs, we extract analysts' mental contexts and recalls that shape forecasts by training an ML memory model. First, we find that long-term memories are salient in analysts' recalls. However, compared to an ML benchmark trained to fit realized earnings, analysts pay more attention to distant episodes in regular times but less during crisis times, leading to recall distortions and therefore forecast errors. Second, we decompose analysts' mental contexts

and show that they are mainly shaped by past earnings and forecasting decisions instead of current firm fundamentals as indicated by the ML benchmark. This difference in contexts further explains the recall distortion. Third, our comprehensive memory model reveals the significance of specific memory features and channels in analysts' belief formation, including the temporal contiguity effect and selective forgetting.

OTHER PUBLICATIONS

Can ChatGPT Reduce Human Financial Analysts' Overoptimistic Biases?
Coauthored with Xiaoyang Li, Haoming Feng, Hailong Yang
Published in Economic and Political Studies, Forthcoming

TEACHING EXPERIENCE

Guest lecturer for Empirical Corporate Finance (*Ph.D. level course*) *Overall evaluation: 5.9/6*	2022
Teaching assistant for Empirical Corporate Finance (*Ph.D. level course*)	2019 - 2022
Teaching assistant for Advanced Corporate Finance (*master level course*)	2022
Master thesis supervision	2018 - 2023

SEMINAR AND CONFERENCE PRESENTATIONS

IAAE 2023, BI Norwegian Business School; AMES 2023 Beijing, Tsinghua University; CFRC 2023, Tsinghua University; AMES 2023 Singapore, Nanyang Technological University; EFA 2023 poster session, VU Amsterdam; EEA-ESEM 2023, Barcelona School of Economics	2023
SFI Research Days, Gerzensee; Brown Bag Seminar, University of Zurich	2022
Brown Bag Seminar, University of Zurich	2021
IFABS 2018, Porto Business School; Brown Bag Seminar, University of Zurich	2018

SCHOLARS AND AWARDS

Ph.D. Scholarship, University of Zurich	2017 - 2022
Bachelor Scholarship, Renmin University of China	2015
Google Code Jam Programming Contest *World Ranking top 2% in 2014; top 4% in 2021, 2019, 2018, 2015, 2013*	2013 - 2021
Microsoft "Beauty of Programming" National Challenge Contests *National Top 60*	2013
National Olympiad in Informatics, China *Silver Medal*	2011

REFERENCES

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