Junyong Kim

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Employment

Visiting Assistant Professor of Finance, University of Wisconsin–Milwaukee 2020–2021

Education

- Ph.D., Finance, with a minor in econometrics, University of Wisconsin–Milwaukee 2015–2020
  Dissertation: Three essays on market anomalies and financial econometrics
  Committee: Valeriy Sibilkov (chair), Richard D. Marcus, John R. Huck, Jangsu Yoon, Donghyun Kim
- M.S., Finance, Seoul National University 2013–2015
- B.B.A., Business Administration, Kyung Hee University 2007–2013
  Military service, Seoul Metropolitan Police Agency 2007–2009
  Exchange student, University of Mississippi 2012

Research Interests

Empirical Asset Pricing, International Finance, Momentum, Volatility, Financial Econometrics

Working Papers

- Flights to quality and momentum crashes 2020
  with Donghyun Kim and Chang-Mo Kang 2020 Financial Management Association Conference
  - Momentum crashes, defined as extremely negative returns of momentum portfolios, occur in most developed stock markets and are centered in economic recovery periods after recessions. I find that their negative returns and negative market betas are associated with investor behavior known as flights to quality (FTQ). Low quality—*i.e.*, high default risk—stocks experience larger investor withdrawals and consequential stock price plunges at financial market collapses, featuring higher market betas particularly during recessions. So the momentum strategies, which tend to sell these plunging stocks, exhibit negative market betas before their crashes and underperform once those stocks bounce back to an economic recovery phase. Worldwide momentum returns and two FTQ proxies, US institutional ownership changes and stock market-bond market disagreements, show consistent results.
- Which volatility drives the anomaly? Cash flow versus discount rate 2018
  with Donghyun Kim and Valeriy Sibilkov 2018 Asia-Pacific Association of Derivatives Conference
  - We reexamine the idiosyncratic volatility puzzle of Ang et al. (2006) in the cross-section of stock returns at the quarterly horizon and investigate the relative importance of cash flow and discount rate shocks in driving the anomaly based on the news decomposition method of Vuolteenaho (2002) with quarterly data. The result from idiosyncratic volatility-sorted quintile portfolios shows that the zero investment portfolio constructed with two extreme portfolios earns about 1.3 percent (1.2 percent) alpha returns per quarter on average after controlling the market factor (Fama–French factors). In addition, we create two decile portfolios sorted on discount rate news

volatilities and cash flow news counterparts. While the average return of the arbitrage portfolio from discount rate news volatilities is insignificant, the counterpart from cash flow news volatilities exhibits about 1.5 percent (1.2 percent) alpha returns per quarter on average after considering the market factor (Fama–French factors). These findings indicate that cash flow news volatilities rule most things about the anomaly rather than discount rate news counterparts. In addition, the findings suggest that investors prefer cash flow news volatilities to discount rate news counterpartes, and hence not all idiosyncratic volatilities are equally priced in the cross-section.

- Multiway clustered standard errors in finite samples 2017
  - I demonstrate the downward bias of existing one-way and two-way clustered standard error estimators (Petersen, 2009; Thompson, 2011) in finite samples using Monte Carlo simulations. When there exist both firm and time effects in a panel regression with $N \gg T$, a firm clustered standard error is always the worst. A clustered standard error estimator by time is the third best, but worsens as T increases. A clustered standard error estimator by both firm and time is the second best, but is biased downward in finite samples. I suggest two first best standard error estimators that always outperform the others competitors.

Work in Progress

- Negative price of risk? Momentum portfolios and asset pricing models, with Valeriy Sibilkov 2020
- Volatility-managed international factors, with Donghyun Kim and Chang-Mo Kang 2020
- Flights to safety and market anomalies 2020
- Short-selling horizons and cross-sectional returns, with Donghyun Kim 2019

Research Experience

- Three essays on market anomalies and financial econometrics, Doctoral Dissertation (2020), University of Wisconsin–Milwaukee
- The cross-section of conditional heteroskedasticity and expected return, Master's Thesis (2015), Seoul National University
- An empirical investigation of the asymmetry of individual stock's conditional betas in the Korean stock market (Korean), with Sang-kyu Lee, *ESG Management Review* (2014) 4 (1), 1–34
- Structure and tracking error of ETF (Korean), with Jae Woong Min and Jung Bum Wee, *ESG Management Review* (2012) 1 (2), 97–124

Service

Referee, *Finance Research Letters*

Work Experience

University of Wisconsin–Milwaukee

- Visiting Assistant Professor
  - International Financial Management (online) Summer 2021
  - Financial Modeling, 2 sections (online, 1 master) Spring 2021
  - Investments, 2 sections (online, 1 master) Spring 2021
  - Financial Modeling, 2 sections (online) Fall 2020
  - Investments (hybrid) Fall 2020
- Associate Lecturer

- International Financial Management (online) — Summer 2020
- Intermediate Finance, 2 sections (hybrid) — Spring 2020
- Financial Modeling, 2 sections (5.00/5.00, 4.96/5.00) — Fall 2019
- Intermediate Finance, 2 sections (4.83/5.00, 4.56/5.00) — Spring 2019
- International Financial Management, 2 sections (4.08/5.00, 3.97/5.00) — Fall 2018
- International Financial Management, 2 sections (4.50/5.00, 4.13/5.00) — Spring 2018
- International Financial Management, 2 sections (4.65/5.00, 4.43/5.00) — Fall 2017

• Teaching Assistant

- Principles of Finance (Steven M. Trick), 5 sections (4.59/5.00) — Spring 2017
- Principles of Finance (Richard D. Marcus), 5 sections (4.22/5.00) — Fall 2016

• Research Assistant

- Donghyun Kim — 2015–2016

Seoul National University

• Teaching Assistant

- Financial Derivatives (In Joon Kim) — Fall 2014
- Special Topics in Management (Yong Ro Yoon) — Fall 2014
- Financial Derivatives (Bong-Chan Kho) — Spring 2014

• Research Assistant

- Bong-Chan Kho — 2013–2014

Kyung Hee University

• Research Assistant

- Sangkyu Lee — 2012–2013

• Teaching Assistant

- Basic Econometrics with SAS Application (Kiseok Lee) — Fall 2012

• Teaching Assistant

- Kyung Hee Cyber University — 2009–2010

Bank of Korea

• Research Assistant

- Sung Beom Jeon — 2009

Honors and Awards

University of Wisconsin–Milwaukee

- Gold Star Teaching Award — 2020
- Outstanding Doctoral Student Teaching Award — 2020
- Sheldon B. Lubar Scholarship — 2016–2017, 2018–2020
- Finalist, Outstanding Doctoral Student Teaching Award — 2019

Kyung Hee University

- Scholarship for Excellence 2011–2013
- Dean's List 2012
- First Prize, Student Awards 2012
- First Prize, Kyung Hee University–SAS Korea 2011

University of Mississippi

- Chancellor's Honor Roll 2012

Others

- Gold Order of Merit, Korean Red Cross 2015
- Silver Order of Merit, Korean Red Cross 2014
- Woongdae Scholarship, Woongdae Foundation 2012–2014
- First Prize, Ulsan National Institute of Science and Technology 2012
- Prize for Excellence, Dongbu Cultural Foundation 2011
- Prize, Citibank Korea Inc.–Korea Institute of Finance 2011
- Prize for Excellence, Yuanta Securities Korea Co. Ltd. 2010
- First Prize, Standard Chartered Bank Korea Ltd. 2010

Skills

C, LaTeX, Python, R, SAS, Slurm, Stata

References

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