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EMPLOYMENT

HEC Montréal, Department of Finance
Assistant Professor, 2018 - present

University of Melbourne, Department of Finance
Assistant Professor, 2013 - 2018

EDUCATION

University of British Columbia, Sauder School of Business
Ph.D. in Finance, 2013

Université Laval
M.Sc. in Financial Engineering, 2007
M.Sc. in Electrical Engineering, 2006
B.Eng. in Computer Engineering (*specialization in intelligent systems*), 2003

RESEARCH INTEREST

Research interests include information economics, mutual funds, market microstructure, big data and financial technologies.

PUBLICATIONS

Inverted Fee Structures, Tick Size, and Market Quality with Carole Comerton-Forde and Zhuo Zhong
Journal of Financial Economics, *Forthcoming*

- Best Paper on Market Microstructure Award, NFA 2017

Shaping Expectations and Coordinating Attention: The Unintended Consequences of FOMC Press Conferences with Oliver Boguth and Charles Martineau
Journal of Financial and Quantitative Analysis, *Forthcoming*

- *Note:* From January 2019, the Chairman of the Federal Reserve will now hold a press conference after each meeting. A postscript at the end of the paper addresses this point.
- Best Paper on Financial Institutions and Markets Award, 7th Financial Markets and Corporate Governance Conference (2016)
- Media coverage:
 - Article in the *The Globe and Mail*, 2019
 - Live interview with *Sky Business News*, 2015
 - Mention in *LA Times*, 2015

WORKING PAPERS

Price Revelation from Insider Trading: Evidence from Hacked Earnings News with Pat Akey and Charles Martineau

From 2010–2015, a group of convicted traders accessed earnings information hours before their public release by hacking several major newswire services. We use their “insider” trading as a

natural experiment to investigate how efficiently markets incorporate private information in prices. 15% of a firm's earnings surprise was incorporated into its stock price prior to its public release when the hackers had access to non-public information. Volume and spread-based measures of informed trading detect this activity, but order flow-based measures do not. We find evidence that uninformed, professional traders traded in the same direction, amplifying the impact of informed trading.

- Media coverage:

– Article on *Bloomberg.com*, 2019

Price Pressure and Efficiency on FOMC Announcements with Oliver Boguth and Charles Martineau

We examine the impact of the surge in trading activity following FOMC announcements on price discovery in the equity market, in particular in the highly liquid S&P 500 E-mini futures. In contrast to the hypothesis that all trading reflects learning about these public news announcements, we find that trading is associated with a decrease in price informativeness and order imbalances generate substantial price reversals reaching 60 basis points even at horizons of several hours. Our findings show that price pressure is prevalent in the most liquid assets following public news and have direct implications for measuring the impact of monetary policy news on equity prices.

How is Earnings News Transmitted to Stock Prices? with Charles Martineau

The most anticipated firms' disclosures are often released in the after-hours market, a very illiquid trading environment. We examine the relationship between liquidity and market efficiency around earnings announced outside of regular trading hours. We find that price discovery of earnings surprises occurs through changes in quotes rather than through trades. Pre-announcement bid-ask spreads are wide enough to eliminate profits of informed liquidity-takers. Spreads narrow following announcements but do so asymmetrically. Ask (bid) prices adjust quickly and efficiently to reflect positive (negative) surprises while bid (ask) prices are slower to adjust. This asymmetry generates price drifts in midquotes. Our results suggest that using midquotes to examine market efficiency in illiquid markets underestimates the true speed of price discovery.

Double Bonus? Implicit Incentives for Money Managers with Explicit Incentives with Juan Sotes-Paladino

We use a unique dataset of European performance-fee mutual funds to examine the interaction between explicit incentives (performance fees) and implicit incentives (fund flows) of asset managers. Funds with performance fees can face substantially steeper implicit incentives compared to non-performance-fee funds. Among performance-fee funds, investors' flows depend on the performance fee level and tend to attenuate the asymmetry in the total pay for performance of higher-fee funds. Thus, the investor preferences that we elicit favor performance-sensitive but not necessarily asymmetric compensation schedules for fund companies. Our results shed new light on several aspects of the contracting problem in asset delegation.

Do Mutual Fund Managers Adjust NAV for Stale Prices?

Mutual fund returns are predictable when the Net Asset Value is computed from prices that do not reflect all available information. This problem was brought to the public eye with the late trading and market timing scandal of 2003, which led to SEC intervention in 2004. Since these events, mutual fund managers have been more active in adjusting NAV, reducing predictability by about half. The simple trading strategy I present yields annual returns of 33% from 2001 to 2004 and 16% from 2005 to 2010. Even after accounting for trading restrictions in mutual funds, an arbitrageur could earn annual returns of 2.73% from 2005 to 2010, suggesting the problem is not fully resolved. The main methodological contribution of this paper is to develop a filtering approach based on a state-space model that embeds the fund manager problem, thus accounting for unobserved actions of fund managers. I also show that predictability increases significantly when information sources suggested by prior literature, such as index and futures returns, are supplemented by premiums on related exchange traded funds.

Indexers and Comovement

I introduce a general equilibrium model with active investors and indexers. Indexing causes market segmentation, and the degree of segmentation is a function of the relative wealth of indexers in the economy. Shocks to this relative wealth induce correlated shocks to discount rates of index stocks. The wealthier indexers are, the greater the resulting comovement is. I confirm empirically that S&P 500 stocks comove more with other index stocks and less with non-index stocks, and that changes in passive holdings of S&P 500 stocks predict changes in comovement of index stocks.

WORK IN PROGRESS

Fake Volume in Cryptocurrency Markets with Steven Riddiough and Zhuo Zhong

INVITED PRESENTATIONS

2020: American Finance Association*

2019: Midwest Finance Association, HEC/McGill SFW, Northern Finance Association

2018: American Finance Association*, China International Finance Conference*

2017: Queensland University of Technology, Western Finance Association*, SHOF FinTech Conference*, McGill University, HEC Montréal, Northern Finance Association, Queen's University, University of Toronto, York University, FIRN: The Art of Finance Conference, SIRCA Young Researchers Workshop, SFS Cavalcade Asia*

2016: McGill University, Université Laval, Accounting and Finance Association of Australia and New Zealand, China International Finance Conference*, European Finance Association, Financial Management Association Asia/Pacific, Financial Institutions, Regulation & Corporate Governance Conference, 7th Financial Markets and Corporate Governance Conference

2014: European Finance Association

2013: FIRN: The Art of Finance Conference, Northern Finance Association, University of Melbourne

2012: Midwest Finance Association

2011: Northern Finance Association

* denotes conference presentation by coauthor.

PROFESSIONAL SERVICE

Discussions

2018 Northern Finance Association, "Reg NMS and Minimum-Tick Distort the Market in Opposing Directions: Theory and Market Experimental Evidence", by Yiping Lin, Peter L. Swan, and Vito Mollica

2017 FIRN: The Art of Finance Conference, "Net Buying Pressure and Informed Trading in the Options Market: Evidence from Earnings Announcements", by Ihsan Badshah, Hardjo Koerniadi, and James Kolari

2017 International Workshop on Financial System Architecture & Stability, "Stock Loan Lotteries and Individual Investor Performance", by Jordan Moore

2017 Financial Institutions, Regulation & Corporate Governance Conference, "Why do we tenure? Analysis of a long standing risk-based explanation", by Jonathan Brogaard, Joseph Engelberg and Edward Van Wesep

2016 Northern Finance Association, "Mutual fund flight-to-liquidity", by Aleksandra Rzeźnik

2016 Melbourne Money & Finance Conference, "Blockchain and the financial sector: The Good, The Bad & The Ugly", by Sophie Gilder

2016 Financial Management Association Asia/Pacific Conference, "Volatility and Directional In-

formed Trading and Option Market Microstructure”, by Nick DeRobertis, Yong Jin, Mahendrarajah Nimalendran and Sugata Ray

2016 Accounting and Finance Association of Australia and New Zealand Conference, “Debt structure, tax and leverage: Evidence from China”, by Kebin Deng and Yushu (Elizabeth) Zhu

2016 Financial Institutions, Regulation & Corporate Governance Conference, “Dividend Initiations, Information Content and Informed Trading in the Options Market”, by Balasingham Balachandran, Huu Nhan Duong , Michael Theobald and Yun (Tracy) Zhou

2015 University of British Columbia Summer Finance Conference, “Governance under the Gun: Spillover Effects of Hedge Fund Activism”, by Nikolay Gantchev, Oleg Gredil and Chotibhak Jotikasthira

2015 University of Melbourne Finance Down Under Conference, “Asset Pricing with Index Investing”, by Georgy Chabakauri and Oleg Rytchkov

2013 Northern Finance Association, “Optimal Hedging when the Underlying Asset Follows a Regime-Switching Markov Process”, by Pascal François, Geneviève Gauthier and Frédéric Godin

2012 Midwest Finance Association, “Exposing Management Characteristics in Mutual Fund Performance”, by Qiang Bu

2011 Northern Finance Association, “Alpha and Performance Measurement: The Effect of Investor Heterogeneity”, by Wayne E. Ferson and Jerchern Lin

Conferences

FIRN Asset Pricing Meeting (organizing committee, 2015)

European Finance Association (program committee, 2013-2016)

Northern Finance Association (program committee, since 2012)

Finance Down Under Conference (organizing committee, 2015-2017)

Journals

Expert Systems with Applications (ad-hoc referee)

Journal of Economic Dynamics and Controls (ad-hoc referee)

Journal of Empirical Finance (ad-hoc referee)

International Review of Finance (ad-hoc referee)

International Journal of Financial Studies (ad-hoc referee)

Media

2018: Interview on blockchain with *Pursuit*

2016: Interview on retiring paper notes with *SBS World News*

TEACHING EXPERIENCE

HEC Montréal, 2-201-15, “Placements”, 2019

HEC Montréal, 2-201-15A, “Investment”, 2018

University of Melbourne, “Introduction to Python for financial research” (workshop for honours and PhD students), 2017–2018

University of Melbourne, FNCE20001, “Business Finance”, 2014–2016

University of Melbourne, FNCE30003, “International Finance”, 2015–2016

University of British Columbia, COMM 370, “Corporate Finance”, 2009–2010, 2012

Université Laval, GSF-1000, “Finance” (in French), 2007

Université Laval, GSF-3101, “Produits dérivés” (*Derivatives*, in French), 2007

RESEARCH SUPERVISION

Xinyi Shi, honours thesis supervisor, 2016

Yukun (Daniel) Luo, honours thesis supervisor, 2015

Hamish Cruden, honours thesis supervisor, 2014

ACADEMIC AWARDS AND RECOGNITIONS

Canadian Securities Institute Research Foundation PhD Scholarship, 2012–2013

FQRSC Scholarship (Government of Quebec), 2009–2012

Dean Earle D MacPhee Memorial Fellowship, 2007–2011

Ph.D. Tuition Fee Award, UBC, 2007–2011

Graduate Entrance Scholarship, UBC, 2007

CERTIFICATIONS

CFA® charterholder

COMPUTER SKILLS

Extensive knowledge of Python, SAS, Matlab and C++; highly experienced working with Nasdaq ITCH, Thomson Reuters Tick History, TAQ, CRSP, Compustat and other databases

PERSONAL

Canadian citizen; fluent in French and English

Current as of July 1, 2019.