

WEI WANG

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RESEARCH FIELDS

Asset Pricing, Investment, Machine Learning, Social Media

EDUCATION

Ph.D. Candidate in Finance <i>Indiana University, U.S.</i>	2018-2023 (expected)
M.A. Economics <i>Tsinghua University, China</i>	2015-2018
B.A. Economics & B.S. Applied Mathematics <i>Wuhan University, China</i>	2011-2015

WORKING PAPERS

"Learning Costs and Information Quality: Why Do We Disagree?" (2022, Job Market Paper)
Abstract: I study asset prices and portfolio choices in an exchange economy with an information market. Two providers decide the information quality and price. I demonstrate that when investors are heterogeneous in the costs of using information, an equilibrium exists where ex-ante homogeneous information producers differentiate ex post. This equilibrium is not socially optimal. The quality heterogeneity and disagreement volatility are too high. The impacts on stock prices are asymmetric when the information quality gap enlarges. When low-quality information deteriorates, the stock price volatility is lower. When high-quality information improves, the stock price volatility is higher. Stock price volatility negatively correlates with disagreement volatility ceteris paribus.

"Do Investors Overreact to Managerial Tones?" (2021)
Abstract: This paper investigates whether investors overreact to managerial tones. I conduct a topical decomposition of managerial tones using a topic analysis technique. Using texts in 10-Ks, I find the market has a higher reaction to informative tones. This indicates that investors are selective in processing public information. With a structural model, I show that investors' overreaction pushes the excess return by 0.03 basis points. The cross-sectional analysis demonstrates that overreaction is most salient for high-market valuation firms.
Conferences: AFA 2022 (Poster)

WORKING IN PROGRESS

"Twitter Bots, Corporations and Financial Markets" (2020), with Anthony Cookson (UColorado), Juhani Linnainmaa (Dartmouth), Alessandro Previtero (Indiana), and Filippo Menczer (Indiana)
Abstract: Social media play a significant role in shaping public opinions and beliefs. This paper provides novel evidence about the strategic use of automated accounts (bots) in options markets. Using a twitter-bot detector developed by Observatory on Social Media (OSoMe), BotometerLite, we find that Twitter bot activity clusters around options' expirations. This strategy generates a short-lived change in underlying stock prices. Our results demonstrate that artificial intelligence can manipulate stock prices.
Conferences: NBER HPC 2019, Indiana University

"Portfolio Liquidity and Mutual Fund Performance" (2021), with Charles Trzcinka (Indiana)

PUBLICATIONS

Jiaren Pang, Dapeng Chen, and **Wei Wang**. *Margin Trading* and corporate investment: from the perspective of outside system and information learning. *Review of Investment Studies, in Chinese*, 38(4), 2019.

Jiaren Pang, Hua Zhou, and **Wei Wang**. Determinants and wealth effects of listed companies' decisions to establish buyout funds. *Journal of Financial Research, in Chinese*, 452(2):153–171, 2018.

CONFERENCES

2022: Kelley Finance PhD Seminar, NBER Meeting on Big Data and HPC for Financial Economics
2021: American Finance Association
2019: NBER Meeting on Big Data and HPC for Financial Economics, Kelley Finance PhD Seminar
2018: Tsinghua Workshop in Finance
2015: The 15th China Youth Economists Forum

TEACHING EXPERIENCES

Instructor, Kelley School of Business, Indiana University
Equity and Fixed Income Investment (Undergraduate): Fall 2021, Summer 2022
Teaching Evaluation: 5.1/7.0, 6.1/7.0

Teaching assistant, School of Economics and Management, Tsinghua University
Principles of Economics I (Undergraduate): Fall 2017
Managerial Economics (MBA): Fall 2016

HONORS AND AWARDS

2018: Dean's Fellowship
2016: National Scholarship
2015: Outstanding Undergraduate Thesis
2014: Chen Zuotao Alumni Fellowship
2013: National Endeavor Fellowship

LANGUAGE AND COMPUTER SKILLS

Proficient Programming Skills: Python, SAS, Stata, C++, Julia, R, Matlab.
Languages: English (fluent) and Mandarin (native)

REFERENCES

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