

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, JMP)

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)

Conferences: AFA 2022 (Poster)

Abstract: This paper quantifies the size of uninformed investors by measuring market overreaction. Using texts in 10-Ks of SP500 constituents, I conduct a topical decomposition of managerial tones and find that market reaction is more sensitive to informative topics’ tones. A structural estimation shows that uninformed investors account for only 1.06%, pushing the excess return by only 0.03 basis points. Overall, investors are selective in processing public information, and market overreaction to managerial tones is insignificant.

WORK IN PROGRESS

“Twitter Bots, Corporations and Financial Markets” (2022), with Anthony Cookson (UCol-orado), Juhani Linnainmaa (Dartmouth), Alessandro Previtero (Indiana), and Filippo Menczer (Indiana)

Conferences: NBER HPC 2019, Indiana University

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.

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

PUBLICATIONS

“**Margin Trading and corporate investment**” (2019), with Jiaren Pang and Dapeng Chen, *Review of Investment Studies, in Chinese*, 38(4).

“**Determinants and Wealth Effects of Listed Companies’ Decisions to Establish Buyout Funds**” (2018), with Jiaren Pang and Hua Zhou, *Journal of Financial Research, in Chinese*, 452(2).

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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