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Education

Ph.D. Finance	University of Pennsylvania	May 2008 (expected)
M.A. Statistics	University of Wisconsin-Madison	December 2003
M.A. Economics	University of Wisconsin-Madison	May 2003
B.S. Finance	Shanghai Jiao Tong University	July 2001

Grants and Awards

Rodney L. White Center Research Grant	2007
Financial Institution Center Research Grant	2006 & 2007
Weiss Center International Finance Research Grant	2006 & 2007
Dissertation Fellowship, Wharton School	2007 - 2008
Dean's Fellowship of Distinguished Merit, Wharton School	2003 - 2006

Working Papers

"Attention and Trading"
(Job Market Paper)

"Investor Sentiment and the Mean-variance Relation" (with Jianfeng Yu) ,
presented at Western Finance Association 2006 meeting, EFM Behavioral Finance Symposium 2006, Midwest Finance Association 2006 Meeting.

Research Interests

Asset Pricing, Behavioral Finance, International Finance

Teaching Experience

Teaching Assistant, The Wharton School, University of Pennsylvania, 2003-2007
Financial Economics (PhD), Behavioral Finance (MBA and undergraduate), Financial Derivatives (MBA and Undergraduate), Monetary Economics and the Global Economy (undergraduate).

References

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Research Abstract

Attention and Trading (Job Market Paper)

The level of attention that investors give to financial markets influences trading behavior and in turn price levels. This study empirically explores the effects of attention levels on investors' trading behavior and on market price dynamics. Specifically, we analyze the ability of market-wide attention-grabbing events -- record-breaking events of the Dow index and front page articles about the stock market -- to predict the trading behavior of investors and market returns. The empirical results show that the impact of attention is pervasive across the market. Using both aggregate and household-level data, we document that high attention causes individual investors to reduce their stock holdings dramatically when the market level is high and to increase their stock holdings modestly when the market level is low. The aggressive selling by individual investors induces institutional investors to trade and has a negative impact on market prices, reducing market returns by 19 basis points on days following attention-grabbing events.

Investor Sentiment and the Mean-variance Relation (joint with Jianfeng Yu)

We find that the stock market's expected excess return is positively related to the market's conditional variance in the low-sentiment periods but unrelated to variance in the high-sentiment periods. These findings are consistent with sentiment-driven traders who exit the stock market when they are pessimistic but enter it more aggressively when they are optimistic. We also find that the negative correlation between returns and contemporaneous volatility innovations is much stronger in the low-sentiment periods. The latter result is consistent with the stronger positive ex ante relation in such periods.