EWG CFM
COMMODITIES AND FINANCIAL MODELLING

HOFSTRA UNIVERSITY

65TH MEETING
EURO WORKING GROUP FOR
COMMODITIES AND FINANCIAL MODELLING
&
CENTER FOR INTERNATIONAL FINANCIAL SERVICES AND MARKETS
HOFSTRA UNIVERSITY

April 28-30, 2022

The Cornell Club New York
6 East 44th Street
New York, NY 10017

Organized by
Center for International Financial Services and Markets
Hofstra Cultural Center
Department of Finance, Frank G. Zarb School of Business

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BREAKFAST AND KEYNOTE SPEAKER

FRIDAY, APRIL 29, 2022
7:30-9:00AM
IVY ROOM

Mark J. Flannery
Bank of America Eminent Scholar
University of Florida

Mark J. Flannery has been the Bank of America Eminent Scholar in Finance at the University of Florida since 1989. He previously held faculty positions at the University of Pennsylvania and the University of North Carolina (Chapel Hill), and visiting positions at NYU, the London Business School, and the University of New South Wales.

His "hands on" regulatory experience includes more than two years as the Chief Economist and Director of the Division of Economics and Risk Analysis at the U.S. Securities and Exchange Commission. In that position, he was involved in developing rules and regulations for the mutual fund industry, CDS trading standards, and various equity market and firm reporting requirements. Professor Flannery consulting work at other U.S. regulatory agencies includes the Office of Financial Research, Federal Reserve Bank and the FDIC.

He has been recognized for excellence in both teaching and research: MBA teaching award (Best core course professor in 2006, 2009, and 2014); "Most Significant Paper" published in the Journal of Financial Intermediation during 2013; Jensen Prize for Corporate Finance and Organizations at the Journal of Financial Economics (second prize in 2012, first prize in 2013) and "Best Paper in Financial Institutions," 1995 Financial Management Association Meeting. He was an editor of the Journal of Money, Credit and Banking from 2000-2005.

He holds economics degrees from Princeton (A.B.) and Yale (M.A., M.Phil., and Ph.D.). Current research interests include the stability of "shadow banking" institutions and Islamic banking.

LUNCH AND KEYNOTE SPEAKER

FRIDAY, APRIL 29, 2022
12:30-2:00PM
IVY ROOM

Brian Ruane
CEO
BNY Mellon Government Securities Services Corp. and Clearance & Collateral Management

Brian Ruane is the Chief Executive Officer of BNY Mellon Government Securities Services Corp., Clearance & Collateral Management, Credit Services, Real Estate and Leasing. He is also a member of BNY Mellon's Executive Committee.

Brian leads BNY Mellon's government securities clearance business as well as the firm's collateral management franchise.
Prior to his current role, Brian led Global Client Management, Alternative Investment Services and Prime Services. Brian has been a member of the Pershing LLC's Executive Committee since 2015.

Brian was a key voice on the Federal Reserve Bank of New York's Triparty Repo Infrastructure Reform Task Force, which drove systemic changes to ensure that the triparty repo market functions effectively and efficiently. He also served on the Federal Reserve Bank of New York's Working Committee on The Future of the US Government Securities Markets. Brian is a frequent speaker on market structure and triparty repo. His recent papers include *The Future of Wholesale Funding Markets* and *The Pandemic Stress Test*.

Brian is also the executive sponsor for the GENEDGE Network, a BNY Mellon Business Resource group focused on diversity.

Brian is a member of the Dean's Advisory Board of Hofstra University's Zarb School of Business. Brian is also a member of the Chartered Association of Certified Accountants and is FINRA Series 7, 24, 63 and 66 licensed.

Thursday, April 28, 2022
Fall Creek Room

7:30-8:30 **Registration and Breakfast**

Welcome Address: Rita D'Ecclesia and Anoop Rai

8:30-10:00 **Asset Pricing**

The Echo Chamber Effect Resounds on Financial Markets: A Social Media Alert System For Meme Stocks
Author(s): Ilaria Gianstefani, Luigi Longo, and Massimo Riccaboni
Presenter: Ilaria Gianstefani, IMT School for Advanced Studies Lucca, Italy
Discussant: Mustafa O. Caglayan, Florida International University

Recovering Missing Firm Characteristics with Attention-based Machine Learning
Author(s): Timo Wiedemann and Heiner Beckmeyer
Presenter: Timo Wiedemann, University of Muenster, Germany
Discussant: Ilaria Gianstefani, IMT School for Advanced Studies Lucca, Italy

Disagreement between Hedge Funds and Other Institutional Investors and the Cross-Section of Expected Stock Returns
Author(s): Mustafa O. Caglayan, Umut Celiker, and Gokhan Sonaer
Presenter: Mustafa O. Caglayan, Florida International University
Discussant: Timo Wiedemann, University of Muenster, Germany

10:00-10:30 **Break**

10:30-12:00 **Trading**

Dealer Trading at the Fix
Author(s): Carol Osler and Alasdair Turnbull
Presenter: Carol Osler, Brandeis University
Discussant: Gbenga Ibikunle, The University of Edinburgh, United Kingdom

Institutional Trading around Repurchase Announcements: An Uphill Battle
Author(s): Vinh Huy Nguyen, Pankaj K. Jain, and Suchismita Mishra
Presenter: Vinh Huy Nguyen, California State University, Fresno
Discussant: Carol Osler, Brandeis University

Latency Arbitrage and Frequent Batch Auctions
Author(s): Gbenga Ibikunle and Zeyu Zhang
Presenter: Gbenga Ibikunle, The University of Edinburgh, United Kingdom
Discussant: Vinh Huy Nguyen, California State University, Fresno

12:00-1:30 **Lunch**

1:30-3:00	**RISK MANAGEMENT**

New Insights on Loss Given Default for Shipping Finance: Parametric and Non-Parametric Estimations
Author(s): Aida Salko and Rita D'Ecclesia
Presenter: Aida Salko, Sapienza University of Rome, Italy
Discussant: Aaron (Young Shin) Kim, Stony Brook University

Borrowing on the Wrong Side of the Tracks: Evidence from Mortgage Rate Discontinuities
Author(s): Anthony W. Orlando and Gerd Welke
Presenter: Anthony W. Orlando, California State Polytechnic University, Pomona
Discussant: Aida Salko, Sapienza University of Rome, Italy

Portfolio Optimization and Marginal Contribution to Risk on Multivariate Normal Tempered Stable Model
Author(s): Aaron (Young Shin) Kim
Presenter: Aaron (Young Shin) Kim, Stony Brook University
Discussant: Anthony W. Orlando, California State Polytechnic University, Pomona

3:00-3:30	**BREAK**
3:30-5:30	**FINANCIAL ASSET PRICES**

Rainy Day Liquidity
Author(s): Tong Yu, Jing-Zhi Huang, Xin Li, and Mehmet Saglam
Presenter: Tong Yu, University of Cincinnati
Discussant: Zhaoque Zhou, Syracuse University

ETF and Information-driven Trades: Evidence on the Dynamic Volume-Return Relation of Individual Stocks
Author(s): Moonsoo Kang
Presenter: Moonsoo Kang, CUNY Brooklyn College
Discussant: Tong Yu, University of Cincinnati

The Role of Leveraged ETFs and Option Market Imbalances on End-of-Day Price Dynamics
Author(s): Heiner Beckmeyer, Andrea Barbon, Andrea Buraschi, and Mathis Moerke
Presenter: Heiner Beckmeyer, University of Muenster, Germany
Discussant: Moonsoo Kang, CUNY Brooklyn College

Why Commonality Persists
Author(s): Zhaoque Zhou, Chyng Wen Tee, and Raja Velu
Presenter: Zhaoque Zhou, Syracuse University
Discussant: Heiner Beckmeyer, University of Muenster, Germany

Friday, April 29, 2022

7:30-9:00

Registration and Breakfast
Ivy Room
Introduction: K.G. Viswanathan, Interim Dean, Zarb School Of Business
Keynote Speaker: Mark J. Flannery
Bank of America Scholar, University of Florida
Topic: "M&A Activity and the Capital Structure of Target Firms"

9:00-10:30 **Banking** Ivy Room

Systematic Financial Intermediation and Business Cycles
Author(s): Joseph J. French, Paul Borochin, and Ujjal Chatterjee
Presenter: Joseph J. French, University of Northern Colorado
Discussant: Rita D'Ecclesia, Sapienza University of Rome, Italy

How Market-Level Deposit-Loan Imbalances Determine Bank M&A Outcomes
Author(s): Leonid Pugachev
Presenter: Leonid Pugachev, Rochester Institute of Technology
Discussant: Joseph J. French, University of Northern Colorado

Tree-based Ensemble Strategies for Predicting Loss Given Default of Bank Loans
Author(s): Rita D'Ecclesia and Aida Salko
Presenter: Rita D'Ecclesia, Sapienza University of Rome, Italy
Discussant: Leonid Pugachev, Rochester Institute of Technology

9:00-10:30 **Derivatives** Fall Creek Room

Multi-Asset Option Pricing Using Normal Tempered Stable Processes with Stochastic Correlation
Author(s): Hyangju Kim, Aaron (Young Shin) Kim, Jaehyung Choi, and Frank J. Fabozzi
Presenter: Hyangju Kim, Stony Brook University
Discussant: Walker Keener Hughen, Sacred Heart University

Retail Derivatives and Sentiment: A Sentiment Measure Constructed from Issuances of Retail Structured Equity Products
Author(s): Neil Pearson, Brian J. Henderson, and Li Wang
Presenter: Neil Pearson, University of Illinois at Urbana-Champaign
Discussant: Hyangju Kim, Stony Brook University

The Impact of Futures on Forecasts of Exchange Rate Realized Variance: Evidence from Asian Markets
Author(s): Walker Keener Hughen, Lorán Chollete, and Teresa Starzecki
Presenter: Walker Keener Hughen, Sacred Heart University
Discussant: Neil Pearson, University of Illinois at Urbana-Champaign

10:30-11:00	**Break**	
11:00-12:30	**Institutional Investors**	Ivy Room

Birds of a Feather Flock Together: Institutional Investors with Disciplinary History and Aggressive Financial Reporting
Author(s): Blerina Bela Zykaj, Avishek Bhandari, and Babak Mammadov
Presenter: Blerina Bela Zykaj, Clemson University
Discussant: Swasti Gupta-Mukherjee, Loyola University Chicago

Trading Venue Preference: Critical Role of Institutional Ownership
Author(s): Vinh Huy Nguyen, Suchismita Mishra, and Le Zhao
Presenter: Vinh Huy Nguyen, California State University, Fresno
Discussant: Blerina Bela Zykaj, Clemson University

Heterogeneities in Asset Categorization and Mutual Funds: Portfolio Choice, Manager Skill, and Performance
Author(s): Swasti Gupta-Mukherjee
Presenter: Swasti Gupta-Mukherjee, Loyola University Chicago
Discussant: Vinh Huy Nguyen, California State University, Fresno

11:00-12:30	**Financial Markets**	Fall Creek Room

Is News Really News: The Effects of Selective Disclosure Regulations
Author(s): Robert Parham, Brent Kitchens, and Chris Yung
Presenter: Robert Parham, University of Virginia
Discussant: Joseph Henry, Rowan University

The Value of Off-Exchange Data
Author(s): Thomas Ernst, Jonathan Sokobin, and Chester Spatt
Presenter: Thomas Ernst, University of Maryland
Discussant: Robert Parham, University of Virginia

The Breadth of IPO Marketing
Author(s): Joseph Henry, Matthew Gustafson, Emily Kim, and Kevin Pisciotta
Presenter: Joseph Henry, Rowan University
Discussant: Thomas Ernst, University of Maryland

12:30-2:00	**Lunch** **Ivy Room** **Introduction: Janet Lenaghan, Interim Provost, Hofstra University** **Keynote Speaker: Brian Ruane** **CEO, BNY Mellon Government Securities Services Corp.** **Topic: "The Evolution of the US Treasury Market"**

2:00-3:30	**Financial Markets and Asset Prices**	Ivy Room

The Importance of Financial Misconduct of Institutional Investors on Corporate Social Responsibility
Author(s): Blerina Bela Zykaj, Samuel B. Bonsall IV, and Babak Mammadov
Presenter: Blerina Bela Zykaj, Clemson University
Discussant: Robinson Reyes Pena, Florida International University

Energy Sector Stock Prices – Is ESG Important
Author(s): Patrycja Chodnicka-Jaworska
Presenter: Patrycja Chodnicka-Jaworska, University of Warsaw, Poland
Discussant: Blerina Bela Zykaj, Clemson University

Hot Potatoes: Underpricing of Stocks following Extreme Negative Returns
Author(s): Robinson Reyes Pena, Mustafa O. Caglayan, and Edward Lawrence
Presenter: Robinson Reyes Pena, Florida International University
Discussant: Patrycja Chodnicka-Jaworska, University of Warsaw, Poland

2:00-3:30	**Portfolio Performance**	Fall Creek Room

False Alpha and Missed Alpha: An Out-of-Sample Mining Expedition
Author(s): Shingo Goto and Toru Yamada
Presenter: Shingo Goto, University of Rhode Island
Discussant: Marco Patacca, University of Verona, Italy

Performance Evaluation of Market Risk Models with MCDM Methods
Author(s): Tomas Tichy, Aleš Kresta, and Frantisek Zapletal
Presenter: Tomas Tichy, VSB-TUO, Czech Republic
Discussant: Shingo Goto, University of Rhode Island

An Explorative Analysis of Sentiment Impact on S&P 500 Components Returns, Volatility and Downside Risk
Author(s): Marco Patacca and Gianna Figá-Talamancaa
Presenter: Marco Patacca, University of Verona, Italy
Discussant: Tomas Tichy, VSB-TUO, Czech Republic

3:30-4:00	**Break**

4:00-5:30	**PORTFOLIO OPTIMIZATION**	IVY ROOM

Drawdown Beta and Portfolio Optimization
Author(s): Stan Uryasev and Rui Ding
Presenter: Stan Uryasev, Stony Brook University
Discussant: Martin Smid, UTIA, Czech Republic

Payment for Order Flow and Asset Choice
Author(s): Chester Spatt and Thomas Ernst
Presenter: Chester Spatt, Carnegie Mellon University
Discussant: Stan Uryasev, Stony Brook University

Approximation of Multistage Stochastic Programming Problems by Smoothed Quantization
Author(s): Martin Smid and Vaclav Kozmik
Presenter: Martin Smid, UTIA, Czech Republic
Discussant: Na Wang, Hofstra University

4:00-5:30	**INTERNATIONAL FINANCIAL MARKETS**	FALL CREEK ROOM

Economic Policy Uncertainty and Equity Fund Flows to India: A Bayesian Approach
Author(s): Joseph J. French and Mike Martin
Presenter: Joseph J. French, University of Northern Colorado
Discussant: Rama Seth, Copenhagen Business School, Denmark

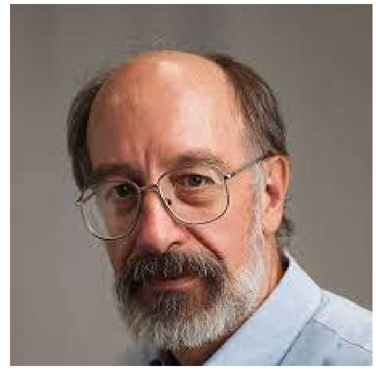
Do Gender Issues and Financial Inclusion impact on Italian Female Managers and Entrepreneurs
Author(s): Rosella Castellano, Jessica Riccioni, and Azzurra Rinaldi
Presenter: Rosella Castellano, University of Rome Unitelma Sapienza, Italy
Discussant: Mike Martin, University of Northern Colorado

Innovative Finance Mechanisms for Biodiversity Conservation in Africa: Quantitative Synergies with Climate Change
Author(s): Rama Seth and Pratim Majumdar
Presenter: Rama Seth, Copenhagen Business School, Denmark
Discussant: Rosella Castellano, University of Rome Unitelma Sapienza, Italy

BREAKFAST AND KEYNOTE SPEAKER

SATURDAY, APRIL 30, 2022
7:30-9:00AM
FALL CREEK ROOM

Gregory F. Udell
Bank One Chair of Banking and Finance
Kelley School of Business, Indiana University



Gregory F. Udell is the Bank One Chair of Banking and Finance at the Kelley School of Business, Indiana University. He received his undergraduate degree in economics from DePauw University and both his MBA and his Ph.D. degrees in finance from Indiana University. Before joining Indiana University in 1998, he taught at the Stern School of Business at New York University. He is a member of the following: Academic Advisory Board of the Turnaround Management Association, Board of the Directors of the Georgetown University Credit Research Center, and Board of Directors of the Financial Management Association.

Prior to his academic career, he was Vice President at the Marina Bank (later LaSalle group) in Chicago. He has been a visiting economist and consultant to the Board of Governors of the Federal Reserve System and is currently a consultant to the Federal Reserve Bank of Chicago and The World Bank.

In addition to teaching numerous executive education courses worldwide, he has published extensively on topics in banking in journals such as the Journal of Banking and Finance, Journal of Business, Journal of Financial Economics, Journal of Financial Intermediation, Journal of Monetary Economics, and the Journal of Political Economy. Professor Udell is an associate editor of a number of journals including the Journal of Money, Credit and Banking, Journal of Banking and Finance, Journal of Financial Services Research and Small Business Economics.

Saturday, April 30, 2022

7:30-9:00

BREAKFAST
FALL CREEK ROOM
INTRODUCTION: ANOOP RAI
KEYNOTE SPEAKER: GREGORY F. UDELL
BANK ONE CHAIR OF BANKING AND FINANCE, INDIANA UNIVERSITY
TOPIC: "BANKING RELATIONSHIPS DURING CRISES"

9:00-11:00 **CORPORATE FINANCE** FALL CREEK ROOM

Why Do Insiders Sell Stocks After Receiving Options
Author(s): Fei Fang, Parianen Veeren, and Zhenyang (David) Tang
Presenter: Fei Fang, Clark University
Discussant: Siamak Javadi, University of Texas Rio Grande Valley

Attention to Detail: Learning About Mergers
Author(s): Choonsik Lee and Adam L. Aiken
Presenter: Choonsik Lee, University of Rhode Island
Discussant: Fei Fang, Clark University

Do Frictions Matter in the Market for Chief Executives
Author(s): Lorán Chollete and Irina Merkurieva
Presenter: Lorán Chollete, Jack Welch, Sacred Heart University
Discussant: Choonsik Lee, University of Rhode Island

Corporate Taxes, Renegotiation Rigidities, and Debt Covenants
Author(s): Siamak Javadi, Ali Nejadmalayeri, and Aaron Rosenblum
Presenter: Siamak Javadi, University of Texas Rio Grande Valley
Discussant: Lorán Chollete, Jack Welch, Sacred Heart University

9:00-11:00	**BANKING**	BEEBE LAKE ROOM

Securities Portfolio Management in the Banking Sector
Author(s): Xun Zhong and Samuel Rosen
Presenter: Xun Zhong, Fordham University
Discussant: Giacomo Morelli, Sapienza University of Rome, Italy

Banking on Culture: Customer Culture and U.S. Bank Performance
Author(s): Leonid Pugachev, Sharif Mazumder, and Hao Zhang
Presenter: Leonid Pugachev, Rochester Institute of Technology
Discussant: Xun Zhong, Fordham University

Monetary Policy and Bank Concentration
Author(s): Tim Zhang and Yongqiang Chu
Presenter: Tim Zhang, University of Wyoming
Discussant: Leonid Pugachev, Rochester Institute of Technology

Liquidity Coverage at Risk
Author(s): Giacomo Morelli, Virginia Pugliese, and Paolo Santucci de Magistris
Presenter: Giacomo Morelli, Sapienza University of Rome, Italy
Discussant: Tim Zhang, University of Wyoming

CLOSING REMARKS: RITA D'ECCLESIA AND ANOOP RAI
FALL CREEK ROOM

ACKNOWLEDGEMENTS

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The Center would like to thank members of the following committees for successfully organizing the conference.

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