



# APAD 2023

The 19<sup>th</sup> Annual Conference of the Asia-Pacific Association of Derivatives

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The 19<sup>th</sup> Annual Conference of the Asia-Pacific Association of Derivatives



Date. July 10-11, 2023

Venue. Park Hyatt Busan, Korea

Organizer.  Korea Derivatives Association

## Korea Derivatives Association

Korea Institute of Financial Investment 12F,  
67-8, Yeouinaru-ro, Yeongdeungpo-gu, Seoul 07327, Korea  
Tel +82-2-2003-9923 E-mail office@kdajdq.org  
<https://www.kdajdq.org>

## Sponsors



## Welcoming Message

### Dear all participants

It is our great pleasure to extend a warm welcome to all of you to the 19<sup>th</sup> Annual Conference of the Asia-Pacific Association of Derivatives (APAD), hosted by the Korea Derivatives Association. We are thrilled to have the opportunity to gather once again, and we sincerely hope that you are all safe and in good health.

This year, the conference will take place on July 10<sup>th</sup> and 11<sup>th</sup> at the Park Hyatt Busan, in collaboration with the generous support of the Korea Exchange and our other sponsors. While we are encouraged by the significant improvements in the global COVID-19 situation, we have decided to adopt a hybrid format that combines both in-person and virtual participation, ensuring that our international attendees can participate seamlessly. We are committed to making this event an enriching experience for all, regardless of attendance.

Since its inception in 2004, the APAD conference has been a beacon of knowledge and collaboration, providing a platform for experts and researchers from diverse backgrounds to present and discuss their outstanding works. These contributions have had a profound impact not only on academia but also on the industry and regulatory authorities, offering innovative insights. This year, we received a record-breaking 138 paper submissions from 19 countries, spanning Asia, North America, and Europe. After undergoing a rigorous review process, we have chosen 30 exceptional papers to present, with an acceptance rate of about one in five. These selected papers cover a wide spectrum of crucial theoretical and empirical topics, including options, futures, asset pricing, crypto assets and machine learning, and behavioral finance.

We are honored to announce that our keynote speaker for this year's conference is Dr. Steve Heston from the University of Maryland. Dr. Heston is a distinguished expert in derivatives, and his presentation, titled "Exploring the Variance Premium Across Assets" promises to be both enlightening and thought-provoking. His extensive research contributions and wealth of knowledge in this domain make him an ideal choice to inspire and engage our participants. We are also proud to present a special symposium entitled "Necessity to Activate Derivatives of Emission Allowances," and "Climate Change and Corporate Finance" led by two experts, Dr. Hyo Seob Lee from Korea Capital Market Institute, and Dr. Hail Jung from Seoul National University of Science and Technology. These sessions promise to delve into pressing issues and provide valuable insights into the intersection of derivatives and important societal challenges.

In these rapidly evolving times, characterized by the ongoing pandemic and the continuous advancement of information technology, the financial market environment faces unprecedented challenges and uncertainties. We believe that our conference will serve as an arena for researchers, practitioners, government officials, and all participants to engage in open-minded dialogue and seek innovative solutions and directions for the various issues arising in the capital market in the post-COVID era. We are confident that the presentations and discussions throughout the conference will stimulate insightful research questions and provide fresh perspectives.

On behalf of the APAD members, we express our deepest gratitude to all presenters, discussants, session chairpersons, and attendees for sharing their invaluable ideas and experiences. We are also immensely grateful to the sponsors who supported us, making it possible to successfully host this conference.

We sincerely hope that your time at the conference will be both enjoyable and rewarding experience. Let us come together, embrace the spirit of collaboration, and contribute to the growth and advancement of academia and the industry.

**Sol Kim, Ph.D.**

President of the Korea Derivatives Association

**Eun Jung Lee, Ph.D.**

Program Chair of the APAD 2023 Conference

## Program of the Conference

Monday, July 10	
13:30~	<b>Registration (33F)</b>
14:00~16:00	<b>Academic Sessions 1, 2, 3</b>
16:20~17:30	<b>Special Symposium (Ballroom 2F)</b>
<b>Zoom ID:</b> 908 020 5860	<b>"Financial Innovation in the Era of Climate Change"</b>
<b>Moderator:</b>	Young Ho Eom (Yonsei University)
<b>Presenters:</b>	Hyo Seob Lee (Korea Capital Market Institute) <b>"Necessity to Activate Derivatives of Carbon Emission Allowances"</b> Hail Jung (Seoul National University of Science and Technology) <b>"Climate Change and Corporate Finance: Carbon Border Adjustment Mechanism Effects"</b>
<b>Discussants:</b>	Taehyun Kim (Chung-Ang University) Jae Ho Lee (Korea Exchange)
17:40~20:00	<b>Keynote Speech, Awards Ceremony and Dinner (Ballroom 2F)</b>
<b>Zoom ID:</b> 908 020 5860	<b>Welcoming Remarks:</b> Sol Kim (Hankuk University of Foreign Studies, President of the Korea Derivatives Association)
	<b>Congratulatory Message:</b> Byungdooh Sohn (Chairman & CEO of the Korea Exchange)
	<b>Keynote Speech:</b> Steven L. Heston (University of Maryland) <b>"Exploring the Variance Risk Premium Across Assets"</b>
	<b>APAD Derivatives Awards 2023</b> Sol Kim (Hankuk University of Foreign Studies, President of the Korea Derivatives Association) Derivatives House of the Year, 2023 Derivatives Player of the Year, 2023
	<b>Best Paper Awards:</b> Eun Jung Lee (Hanyang University, Editor of JDQS) KRX Paper Award Shinhan Securities Paper Award NH Investments and Securities Paper Award

Tuesday, July 11	
08:00~09:00	<b>Breakfast (Dining Room 32F)</b>
09:00~10:30	<b>Academic Sessions 4, 5, 6</b>
10:40~12:10	<b>Academic Sessions 7, 8, 9</b>

### Academic Session Program

Time	Session Topics	Room	Zoom ID
Monday, July 10 14:00~16:00	Session 1 Derivative Securities I	Drawing Room 1	972 671 9060
	Session 2 Fixed Income Securities	Drawing Room 3	728 947 3946
	Session 3 Corporate Finance	Drawing Room 4	796 762 3607
Tuesday, July 11 09:00~10:30	Session 4 Derivative Securities II	Drawing Room 1	972 671 9060
	Session 5 Market Microstructure	Drawing Room 3	728 947 3946
Tuesday, July 11 10:40~12:10	Session 6 ESG and FinTech	Drawing Room 4	796 762 3607
	Session 7 Mutual Funds and Financial Intermediation	Drawing Room 1	972 671 9060
	Session 8 Investments	Drawing Room 3	728 947 3946
	Session 9 Empirical Finance	Drawing Room 4	796 762 3607

## Academic Sessions 1, 2, 3

14:00~16:00, Monday, July 10

## Session 1 Derivative Securities I

Drawing Room 1 / Zoom ID 972 671 9060

Chair Jeongsun Yun (Kookmin Univ.)

Title	Author	Discussant
Price Discovery for Derivatives	Christian Keller (Univ. of Central Florida) Michael C. Tseng* (Univ. of Central Florida)	Jungsuk Han (Seoul National Univ.)
Price Discovery Dynamics Between the Bitcoin Spot and Futures Market	Robbie Gaudiosi (Univ. of Wollongong) Alex Frino (Univ. of Wollongong) Robert I. Webb* (Univ. of Virginia) Z. Ivy Zhou (Univ. of Wollongong)	JinGi Ha (FnPricing)
Bank Capital Regulation and Derivatives Clearing	Jonathan Acosta-Smith (Bank of England) Gerardo Ferrara (Bank of England) Francesc Rodriguez Tous* (City, University of London)	Dong Beom Choi (Seoul National Univ.)
Forecasting Option Returns with News	Jie Cao (The Hong Kong Polytechnic Univ.) Bing Han (Univ. of Toronto) Gang Li (The Chinese Univ. of Hong Kong) Ruijing Yang* (The Chinese Univ. of Hong Kong) Xintong Zhan (Fudan Univ.)	Sang-Ook (Simon) Shin (UNIST)

## Session 2 Fixed Income Securities

Drawing Room 3 / Zoom ID 728 947 3946

Chair Jaewon Choi (Univ. of Illinois and Yonsei Univ.)

Title	Author	Discussant
Macro-Financial Interactions and Yield Curve Dynamics: An Empirical Analysis with Affine Term Structure Model	Ga-Young Jang (H&Consulting) Hyoung-Goo Kang* (Hanyang Univ.) Daejin Kim (Sungkyunkwan Univ.) Dongjoon Lee (Sungkyunkwan Univ.)	Sangheum Cho (KAIST)
The More Illiquid, The More Expensive: A Search-Based Explanation of the Illiquidity Premium	Jaewon Choi (Univ. of Illinois and Yonsei Univ.) Jungsuk Han (Seoul National Univ.) Sean Seunghun Shin* (Aalto Univ.) Ji Hee Yoon (Univ. College London)	Hogyu Jhang (Chungnam National Univ.)
What Drives the TIPS-Treasury Bond Mispricing?	Jungkyu Ahn (Monash Univ.) Yongkil Ahn* (Seoul National Univ. of Science and Technology)	Jaeram Lee (Gachon Univ.)
Credit Risk and Lagged Credit Rating Revision	Hyun Soo Doh* (Hanyang Univ.) Yiyao Wang (Shanghai Jiao Tong Univ.)	Byung Hwa Lim (Sungkyunkwan Univ.)

## Session 3 Corporate Finance

Drawing Room 4 / Zoom ID 796 762 3607

Chair Kyojik "Roy" Song (Sungkyunkwan Univ.)

Title	Author	Discussant
Global Insolvency and Cross-Border Acquisitions	Yeejin Jang (Univ. of New South Wales) Ji Hyun Tak* (Univ. of New South Wales) Wei Wang (Queen's Univ.)	Junho Park (Myongji Univ.)
Growing beyond Firm Boundaries through Strategic Alliances: Role of Labor Market Frictions	Jingoo Kang (Nanyang Technological Univ.) Hyemin Kim* (Hanyang Univ.) Min Suk Lee (Chulalongkorn Univ.) Angie Low (Nanyang Technological Univ.)	Sunwoo Hwang (Korea Univ.)
The Effects of Information Asymmetry on Shareholder Participation: Effective Monitoring or Disruption?	Jiyeon Lee (Yonsei Univ.) Jiyoung Park* (Yonsei Univ.)	Jimin Hong (Soongsil Univ.)
Endogenous Corporate Disclosure During The COVID-19 Lockdown	Yeejin Jang* (Univ. of New South Wales) Taehyun Kim (Chung-Ang Univ.) Jongsub Lee (Seoul National Univ.)	Jiyeon Yun (California State Univ. Northridge)

## Academic Sessions 4, 5, 6

09:00~10:30, Tuesday, July 11

## Session 4 Derivative Securities II

Drawing Room 1 / Zoom ID 972 671 9060

Chair Kook-Hyun Chang (Konkuk Univ.)

Title	Author	Discussant
Slope Beta and Cross-Sectional Stock Returns	Tao Li (City Univ. of Hong Kong) Di Wu (City Univ. of Hong Kong) Lihai Yang* (City Univ. of Hong Kong)	Sang-Ik Seok (Univ. of Ulsan)
Spreading Pressure and the Commodity Futures Risk Premium	Yujing Gong* (London School of Economics and Political Science) Arie E. Gozluklu (Univ. of Warwick) Gi H. Kim (Univ. of Warwick)	Dohyun Chun (Kangwon National Univ.)
Derivative Spreads: Evidence from SPX Options	Jie Cao (The Hong Kong Polytechnic Univ.) Kris Jacobs (Univ. of Houston) Sai Ke* (Univ. of Houston)	Albert J. Lee (Hanyang Univ.)

**Session 5 Market Microstructure**

Drawing Room 3 / Zoom ID 728 947 3946

Chair Soonho Kim (Pukyong National Univ.)

Title	Author	Discussant
The Index Effect: Evidence From The Option Market	Fabian Hollstein (Saarland Univ.) Chardin Wese Simen* (Univ. of Liverpool)	Yeun Jung Park (Hallym Univ.)
Market Manipulation in NFT Markets	Sebeom Oh* (Temple Univ.)	Donghoon Kim (KAIST)
Beauty Contests Around News Releases	Tarun Chordia (Emory Univ.) Bin Miao (Chinese Univ. of Hong Kong Shenzhen) Joonki Noh* (Case Western Reserve Univ.)	Ji Yeol Jimmy Oh (Sungkyunkwan Univ.)

**Session 6 ESG and FinTech**

Drawing Room 4 / Zoom ID 796 762 3607

Chair Kyoung-Min Kwon (Hongik Univ.)

Title	Author	Discussant
Every Emission You Create—Every Dollar You'll Donate: The Effect of Regulation-Induced Pollution on Corporate Philanthropy	Seungho Choi* (Queensland Univ. of Technology) Raphael Jonghyeon Park (Univ. of Technology Sydney) Simon Xu (Univ. of California Berkeley)	Jiyeon Lee (Yonsei Univ.)
Does Foreign Institutional Capital Promote Green Growth for Emerging Market Firms?	Sophia Chiyong Cheong* (City Univ. of Hong Kong) Jaewon Choi (Univ. of Illinois and Yonsei Univ.) Sangeun Ha (Copenhagen Business School) Ji Yeol Jimmy Oh (Sungkyunkwan Univ.)	Simon Xu (Univ. of California Berkeley)
The Rise of E-Wallets and Buy-Now-Pay-Later: Credit Expansion, Payment Competition, and Consumer Behavior	Wenlong Bian* (Sungkyunkwan Univ.) Lin William Cong (Cornell Univ.) Yang Ji (Xiamen Univ.)	Junho Oh (Hankuk Univ. of Foreign Studies)

**Academic Sessions 7, 8, 9**

10:40~12:10, Tuesday, July 11

**Session 7 Mutual Funds and Financial Intermediation**

Drawing Room 1 / Zoom ID 972 671 9060

Chair Dong Beom Choi (Seoul National Univ.)

Title	Author	Discussant
The Financialization of Cryptocurrencies	Lei Huang (Univ. of Hong Kong) Tse-Chun Lin (Univ. of Hong Kong) Fangzhou Lu* (Univ. of Hong Kong) Jian Sun (Singapore Management Univ.)	Jihoon Goh (Pusan National Univ.)
Mutual Fund Tournaments for Distribution	Yu Sung Ha* (The Hong Kong Polytechnic Univ.) Byoung Uk Kang (The Hong Kong Polytechnic Univ.)	Hee-Eun Kim (Myongji Univ.)
Bank Branch Access: Evidence from Geolocation Data	Sakong Jung* (Federal Reserve Bank of Chicago) Alexander Zentefis (Yale Univ.)	Janghoon Shon (HKUST)

**Session 8 Investments**

Drawing Room 3 / Zoom ID 728 947 3946

Chair Heungju Park (Sungkyunkwan Univ.)

Title	Author	Discussant
Market Integration, Risk-Taking, and Income Inequality	Lin William Cong (Cornell Univ.) Ron Kaniel (Univ. of Rochester) Yizhou Xiao* (Chinese Univ. of Hong Kong)	Keeyoung Rhee (POSTECH)
Interest Rate Risk, Inflation, and the Cross Section of Stock Returns	Heungju Park (Sungkyunkwan Univ.) Sungbin Sohn* (Sogang Univ.)	Yongjun Kim (Univ. of Seoul)
The Speed of the Fed: How Quick Adjustments in Monetary Policy Affect Stock Returns	Sudheer Chava (Georgia Institute of Technology) Alex Hsu (Georgia Institute of Technology) Soohun Kim (KAIST) Heungju Park* (Sungkyunkwan Univ.)	Jongho Park (Soongsil Univ.)

## Session 9 Empirical Finance

Drawing Room 4 / Zoom ID 796 762 3607

Chair Junesuh Yi (Dongguk Univ.)

Title	Author	Discussant
Do Trading Pauses Protect Retail Investors?	Don Noh* (Princeton Univ.)	Hyeong Joon Kim (Korea Aerospace Univ.)
Differential Interpretations and Volume Reactions to Earnings Announcements—A Natural Experiment	Yen-Cheng Chang (National Taiwan Univ.) Bokyung Park* (National Taiwan Univ.) Yu-Siang Su (National Chi Nan Univ.) Kevin Tseng (National Taiwan Univ.)	Jaewan Bae (Dongguk Univ.)
Global Flight-to-Quality and Asset Pricing: Evidence from Factor Returns	Chang-Mo Kang (Hanyang Univ.) Donghyun Kim (Chung-Ang Univ.) Junyong Kim* (Univ. of North Carolina at Pembroke)	Tai-Yong Roh (Liaoning Univ.)

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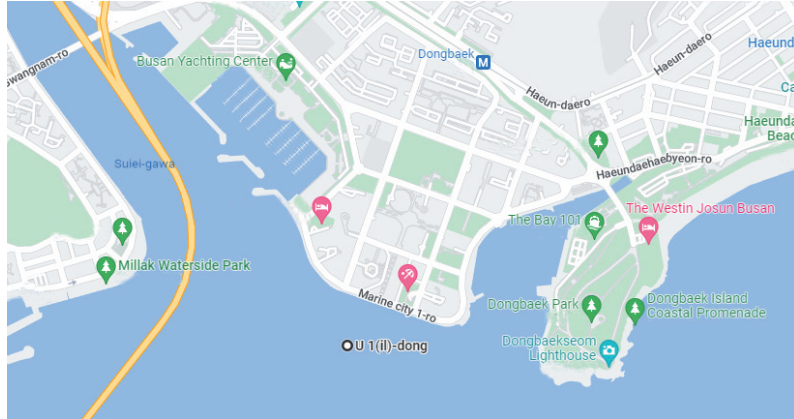
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## Location Guide

### Park Hyatt Busan, Korea



#### Taxi

A convenient, free interpretation service is provided by all taxis if guests need to relay directions to the driver and do not speak Korean. Both Standard and Deluxe taxis accept credit card payments.

Standard taxi silver or white color Deluxe taxi black color

#### Hotel Limousine

Subject to advance reservations, private limousines are available for transfers to/from the hotel and airport, train station or a city tour. In addition to complimentary wireless Internet access, the limousines offer daily newspapers and magazines, a note pad, bottled water and beverages and more.

Gimhae International Airport One way - KRW 180,000 Busan Station One way - KRW 170,000

#### Transportation Center

Gimhae International Airport 25 km (16.7 miles), about 45 minutes by car

Busan Station 16 km (10 miles), about 30 minutes by car

#### Distances to the hotel

BEXCO Convention Centre about 5 minutes by taxi

Haeundae (Beach) walking distance 500m, about 15 minutes' walk

Gwangalli (Beach area and Gwangalli Bridge) about 10 minutes by taxi

Centum City (Luxury department store, BEXCO, APEC, World Business Center) about 5 minutes by taxi

Seomyeon (financial, business and entertainment) about 20 minutes by taxi

Nampodong (shopping and entertainment district) about 30 minutes by taxi

Deayeondong (Kyungsung University, nightlife district and UN Memorial Cemetery) about 20 minutes by taxi