APAD 2021

The 17th Conference of Asia-Pacific Association of Derivatives

Korea Derivatives Association

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The 17th Conference of Asia-Pacific Association of Derivatives

THE 17TH CONFERENCE OF ASIA-PACIFIC ASSOCIATION OF DERIVATIVES

KDA

July 12-13, 2021

Grand Josun Hotel, Busan, Korea

KDA Korea Derivatives Association
http://www.kdaconf.com/

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APAD 2021

Welcoming Message

Dear all participants,

A delightful welcome to all participants to the 17th Annual Conference of the Asia-Pacific Association of Derivatives (APAD), hosted by the Korean Derivatives Association! The unprecedented COVID-19 pandemic is now running towards its end. We sincerely hope that you will stay safe and healthy until it is completely over.

This year, we are going to host the conference at the Grand Josun hotel in Busan on July 12th and 13th. with the generous support of the Korea Exchange and other benevolent sponsors. The program committee decided to host the conference both online and offline, given that the COVID-19 is still severe. Presentations and keynotes by overseas scholars will be held in the form of online video-conferences, while presentations and discussions by local scholars, symposium, and awards ceremony will be conducted both online and offline. We will do our best to prepare for the event to minimize inconvenience caused by on-offline combination.

The first APAD conference was held in 2004, and it has been a great success over the years, providing a valuable platform on which experts and researchers all around the world presented and discussed their excellent works. Their works contributed not only to academia and but also to the industry and regulatory authorities by providing innovative insights and valuable tools. This year the conference features 30 rigorously peer-reviewed papers, of authors from diverse parts of the world. The papers address a wide range of important theoretical and empirical topics including options, futures, asset pricing, crypto assets and machine learning, and behavior finance.

In addition, we are honored to invite Professor K. Geert Rouwenhorst from Yale University as our keynote speaker this year. He published quite a few papers related to commodity derivatives in top notch journals. He will deliver an insightful speech entitled "The Commodity Futures Risk Premium". We are also proud to present a special symposium entitled "ESG Investment Boom and Derivatives Markets," led by two experts in the derivatives area, Professor Hyoung-Goo Kang from Hanyang University and Dr. Hyo Seob Lee from Korea Capital Market Institute. It is expected to be a timely and interesting symposium in that we can explore the relationship between the derivatives markets and ESG, positioned as a new protocol of capitalism.

Nowadays, financial market environment is rapidly changing due to the recent pandemic and ongoing advancement of information technology. These changes will give us enormous uncertainty in our physical environment and also every corners of economic horizon. Our conference will be an arena where researchers, practitioners, government officials, and all other participants communicate with each other with open mind and try to find innovative solutions and directions for various problems arising in the capital market in the post-COVID era. We are confident that all papers will invariably offer stimulating research questions as well as fresh insights.

On behalf of the APAD members, we would like to express our deep gratitude to all presenters, discussants, session chairpersons, and attendees for sharing their valuable ideas and experiences. We also acknowledge our sponsors who provided generous supports to make this conference happen.

Bum J. Kim, Ph.D.
President of the Korea Derivatives Association

Junesuh Yi, Ph.D.
Program Chair of the APAD 2021 Conference

Program of the Conference

Monday, July 12

13:30 ~	**Registration**	
14:00 ~ 16:00	**Academic Sessions 1, 2, 3**	
16:20 ~ 17:30	**Special Symposium (Room4-Ballroom)**	
(Zoom ID : 908 020 5860)	"ESG Investment Boom and Derivatives Markets"	
	Congratulatory Message:	Jhin Young Shin (Korea Corporate Governance Service)
	Moderator:	Young Ho Eom (Yonsei University)
	Presenters:	Hyo Seob Lee (Korea Capital Market Institute) Hyoung-Goo Kang (Hanyang University)
	Discussants:	Sunyoung Park (Dongguk University) Jaeram Lee (Gachon University)
17:40 ~ 20:00	**Keynote Speech, Awards Ceremony and Dinner (Room4-Ballroom)**	
(Zoom ID : 908 020 5860)	Welcoming Remarks:	Bum J. Kim (Soongsil University, President of the Korea Derivatives Association)
	Congratulatory Message:	Chang-hyun Yun (Member of the National Assembly, the Republic of Korea)
	Keynote Speech:	K. Geert Rouwenhorst (Yale University) **"The Commodity Futures Risk Premium"**
	Awards Ceremony:	Sol Kim (Hankuk University of Foreign Studies, Editor of JDQS) APAD Best Paper Award Shinhan Investment Paper Award NH Investments and Securities Paper Award

Tuesday, July 13

08:00 ~ 09:00	**Breakfast (Ballroom)**
09:00 ~ 10:30	**Academic Sessions 4, 5, 6**
10:40 ~ 12:10	**Academic Sessions 7, 8, 9**

Academic Sessions

Time	Topics		Room	Zoom ID
Monday, July 12 14:00 ~ 16:00	Session 1	Investment	Meeting Room	961 155 9411
	Session 2	Corporate Finance	Board Room I	467 615 5532
	Session 3	Derivatives Securities	Board Room II	480 393 7837
Tuesday, July 13 09:00 ~ 10:30	Session 4	Fixed Income Securities	Meeting Room	961 155 9411
	Session 5	Credit Risk and Insurance	Board Room I	467 615 5532
	Session 6	Empirical Asset Pricing	Board Room II	480 393 7837
Tuesday, July 13 10:40 ~ 12:10	Session 7	Crypto Assets and Machine Learning	Meeting Room	961 155 9411
	Session 8	Investment: Strategy and Efficiency	Board Room I	467 615 5532
	Session 9	Behavioral Finance	Board Room II	480 393 7837

Academic Sessions 1, 2, 3 | 14:00~16:00, Monday, July 12

Session 1: Investment (Room1 – Meeting Room, Zoom ID: 961 155 9411)

Chair: Youngsoo Choi (Hankuk Univ. of Foreign Studies)

Title	Author	Discussant
Asset Pricing with Consumption Frictions	Kyoung Jin Choi (Univ. of Calgary) Junkee Jeon (Kyung Hee Univ.) Hyeng Keun Koo* (Ajou Univ.)	Minsuk Kwak (Hankuk Univ. of Foreign Studies)
Stock-bond Correlations and International Stock Market Return Predictability	Sungjune Pyun* (National Univ. of Singapore)	Heungju Park (Sungkyunkwan Univ.)
Firm Uncertainty and Household Spending	Iván Alfaro (BI Norwegian Business School) Hoonsuk Park* (Univ. of Melbourne)	Seryoong Ahn (Pukyong National Univ.)
Market Uncertainty and Sentiment around USDA Announcements	An N.Q. Cao* (Univ. of Bonn) Michel A. Robe (Univ. of Illinois at Urbana-Champaign)	Hyun-Soo Choi (KAIST)

Session 2: Corporate Finance (Room2 –Board Room I, Zoom ID: 467 615 5532)

Chair: Jin Q. Jeon (Dongguk Univ.)

Title	Author	Discussant
Strategic Alliances, Shocks to Competition and Firm Performance	Yeejin Jang* (UNSW Business School) Natalia Reisel (Fordham Univ.)	Jin Q. Jeon (Dongguk Univ.)
Mandatory Disclosure, Internal Information Asymmetry, and Insider Trading: Evidence from FAS 131	Chang Mo Kang* (Hanyang Univ.) Donghyun Kim (Chung-Ang Univ.) Youngdeok Lim (UNSW Sydney)	Jieun Im (Soongsil Univ.)
External Guarantees and Stock Price Crash Risk	Kai Wu* (Central Univ. of Finance and Economics) Zejun Jin (Central Univ. of Finance and Economics) Maobin Xu (Central Univ. of Finance and Economics)	Bonha Koo (Dongguk Univ.)
The Value of Activism: A Hedge Fund Investor's Perspective	Felix Zhiyu Feng (Univ. of Washington) Chengdong Yin (Purdue Univ.) Caroline H. Zhu* (Seattle Pacific Univ.)	Kyoung-min Kwon (Hongik Univ.)

Session 3: Derivatives Securities (Room3–Board Room II, Zoom ID: 480 393 7837)

Chair: Kook Hyun Chang (Konkuk Univ.)

Title	Author	Discussant
Fat and Fatter Monthly Crash Risk and Investor Trading	Qian Yang* (Michigan State Univ.)	Donghyun Kim (Chung-Ang Univ.)
Speculation or Hedging? - Options Trading Prior to FOMC Announcements	George J. Jiang* (Carson College of Business) Guanzhong Pan (Yunnan Univ. of Finance and Economics)	Jongsub lee (Seoul National Univ.)
Lottery and Bubble Stocks and the Cross-section of Option Implied Tail Risks	Sobhesh Kumar Agarwalla (Indian Institute of Management Ahmedabad) Sumit Saurav* (Indian Institute of Management Ahmedabad) Jayanth R. Varma (Indian Institute of Management Ahmedabad)	Da-Hea Kim (Sungkyunkwan Univ.)
Canary in the Coal Mine: COVID-19 and Soybean Futures Market Liquidity	Kun Peng* (Univ. of Illinois at Urbana-Champaign) Zhepeng Hu (China Agricultural Univ.) Michel Robe (Univ. of Illinois at Urbana-Champaign) Michael Adjemian (Univ. of Georgia)	Yongsik Kim (Hankuk Univ. of Foreign Studies)

Academic Sessions 4, 5, 6 | 09:00~10:30, Tuesday, July 13

Session 4: Fixed Income Securities (Room1–Meeting Room, Zoom ID: 961 155 9411)

Chair: Kuan-Hui Lee (Seoul National Univ.)

Title	Author	Discussant
Why Have Actively Managed Bond Funds Remained Popular?	Jaewon Choi* (Univ. of Illinois at Urbana-Champaign) K. J. Martijn Cremers (Univ. of Notre Dame) Timothy B. Riley (Univ. of Arkansas)	Hyun Soo Doh (Nanyang Technological Univ.)
Issuance and Valuation of Corporate Bonds with Quantitative Easing	Stefano Pegoraro* (Univ. of Notre Dame) Mattia Montagna (European Central Bank)	Dong Beom Choi (Seoul National Univ.)
One Session Options: Playing the announcement lottery?	Lee A Smales* (Univ. of Western Australia)	Hogyu Jhang (Chungnam National Univ.)

Session 5: Credit Risk and Insurance (Room2–Board Room I, Zoom ID: 467 615 5532)

Chair: Sol Kim (Hankuk Univ. of Foreign Studies)

Title	Author	Discussant
Warrants in the Financial Management Decisions of Innovative Firms	Hyuna Park* (Brooklyn College of the City Univ. of New York)	Kyung Hee Park (Hannam Univ.)
The Sources of Risk in Credit Portfolio	Yongwoong Lee (Hankuk Univ. of Foreign Studies) Kisung Yang (Soongsil Univ.) Yongbok Cho* (Korea Univ.)	Kwangil Bae (Chonnam National Univ.)
Municipal Bond Insurance and the U.S. Drinking Water Crisis	Ashwini Agrawal (London School of Economics & Political Science) Daniel Kim* (BI Norwegian Business School)	Jimin Hong (Soongsil Univ.)

Session 6: Empirical Asset Pricing (Room3–Board Room II, Zoom ID: 480 393 7837)

Chair: Daejin Kim (UNIST)

Title	Author	Discussant
Executives' Blaming External Factors and Market Reactions: Evidence from Earnings Conference Calls	Joonki Noh* (Case Western Reserve Univ.) Dexin Zhou (Baruch College, City Univ. of New York)	Jaesun Yun (Dongguk Univ.)
Correlations, Value Factor Returns, and Growth Options	Lorenzo Schönleber* (Collegio Carlo Alberto)	Changjun Lee (Hankuk Univ. of Foreign Studies)
Does Portfolio Disclosure Make Money Smarter?	Byoung Uk Kang* (Hong Kong Polytechnic Univ.) Andrew J. Sinclair (Univ. of Hong Kong) Stig J. Xeno (Hong Kong Polytechnic Univ.)	Yongjun Kim (Univ. of Seoul)

Academic Sessions 7, 8, 9 — 10:40~12:10, Tuesday, July 13

Session 7: Crypto Assets and Machine Learning (Room1–Meeting Room, Zoom ID: 961 155 9411)

Chair: Bong-Gyu Jang (POSTECH)

Title	Author	Discussant
Crypto Wash Trading	Lin William Cong (Cornell Univ.) Xi Li* (Univ. of Newcastle) Ke Tang (Tsinghua Univ.) Yang Yang (Tsinghua Univ.)	Dongyoup Lee (Kookmin Univ.)
Information Uncertainty and Deep Learning	Suk-Joon Byun (KAIST) Sangheum Cho* (KAIST)	Heebum Lee (Korea Univ.)
Testing the Local Martingale Theory of Bubbles using Cryptocurrencies	Soon Hyeok Choi* (Cornell Univ.) Robert A. Jarrow (Cornell Univ.)	Hope Hyeun Han (UNIST)

Session 8: Investment: Strategy and Efficiency (Room2–Board Room I, Zoom ID: 467 615 5532)

Chair: Tong Suk Kim (KAIST)

Title	Author	Discussant
Option Price Implied Information and REIT Returns	Jie Cao (The Chinese Univ. of Hong Kong) Bing Han (Univ. of Toronto) Linjia Song* (The Chinese Univ. of Hong Kong) Xintong Zhan (The Chinese Univ. of Hong Kong)	SangIk Seok (Ulsan Univ.)
Connectivity Costs and Price Efficiency: An Event Study	Alex Frino (Univ. of Wollongong) Ognjen Kovacevic (Macquarie Univ.) Vito Mollica* (Macquarie Univ.) Robert I. Webb (Univ. of Virginia)	Yonghyun Kwon (Changwon National Univ.)
Pairs Trading via Unsupervised Learning	Chulwoo Han* (Durham Univ.) Zhaodong He (Durham Univ.) Alenson Toh (Nanyang Technological Univ.)	Jae Wook Song (Hanyang Univ.)

Session 9: Behavioral Finance (Room3– Board Room II, Zoom ID: 480 393 7837)

Chair: Noolee Kim (Hanyang Univ.)

Title	Author	Discussant
Happiness and Innovation around the World	Yuna Heo (Rutgers Univ.) Fangfang Hou (Xiamen Univ.) Seongkyu "Gilbert" Park* (Hong Kong Polytechnic Univ.)	Sunwoo Hwang (Korea Univ.)
Innovation Overload?	Byoung-Hyoun Hwang (Cornell Univ.) Hugh Hoikwang Kim* (Univ. of South Carolina) Kai Wu (Central Univ. of Finance and Economics)	Jun-Youp Lee (UNIST)
Overconfidence in Money Management: Balancing the Benefits and Costs	Jung Hoon Lee (Tulane Univ.) Shyam Venkatesan* (Western Univ.)	Min-Jik Kim (KOREATECH)

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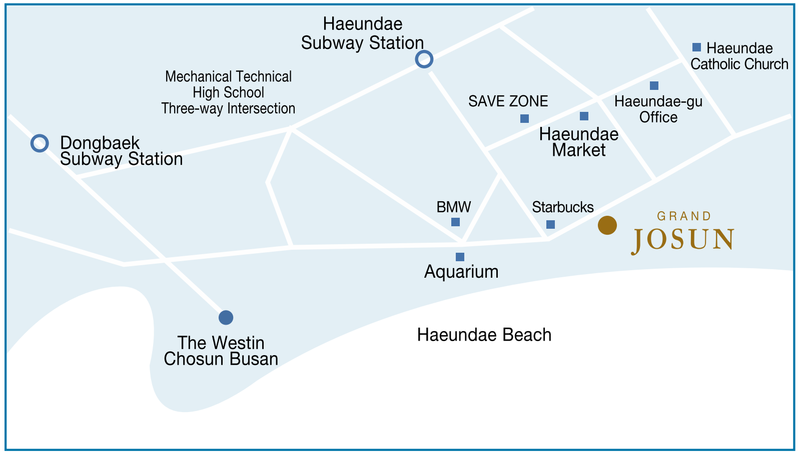

■ Metro :

• Line 1

- Line 1 Busan Station Transit to Line 2 Seomyeon Station → Exit 3/5 on Haeundae Station → Towards Haeundae Beach within a 10-minute walk
- Line 1 Nopo Station Transit to Line 2 Seomyeon Station → Exit 3/5 on Haeundae Station → Towards Haeundae Beach within a 10-minute walk
- Line 1 Nopo Station Transit to Line 3 Yeonsan Station → Transit to Suyeon Station → Exit 3/5 on Haeundae Station → Towards Haeundae Beach within a 10-minute walk

• Line 2

- Line 2 Sasang Station Exit 3/5 on Haeundae Station → Towards Haeundae Beach within a 10-minute walk

■ Bus :

- Express 1003(Busan Station) Get off at Haeundae Hot Spring Intersection → Towards Haeundae Beach within a 6-minute walk → Hotel
- Express 1001(Busan Station) Get off at Haeundae Station → Towards Haeundae Beach within a 14-minute walk → Hotel
- Express 1002(Nopo-dong Busan Central Bus Terminal) Get off at Centum Sensivill & transit to 100 / 115-1 / 200 → Get off at Haeundae Hot Spring Intersection → Towards Haeundae Beach within a 6-minute walk → Hotel
- Express 1002(Nopo-dong Busan Central Bus Terminal) Get off at Centum Sensivill & transit to 39 / 141 → Get off at Haeundae Hot Spring Intersection → Towards Haeundae Beach within a 6-minute walk → Hotel
- 31(Seobu Intercity Bust Terminal) Get off at Haeundae → Towards Haeundae Beach within a 6-minute walk → Hotel
- 307(Gimhae Airport) Get off at Haeundae Beach → Hotel