Annual Report

2018

Centre for Finance
University of Gothenburg
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1. Research activities at CFF

1.1. Mission and Vision

In 2010 the Centre for Finance (CFF) received a grant from VINNOVA to establish one of Sweden’s three new research centers within finance. The Centre is also financed by the business community, the University of Gothenburg and the School of Business, Economics and Law.

CFF’s mission is to contribute to a sustainable financial system through:

- Excellent research focusing on financial intermediation, specifically the interaction between financial institutions and business/households.
- An open and creative multidisciplinary research environment.
- Close interaction with practitioners, education and society at large.

CFF’s vision is to advance the understanding and practice of financial intermediation and to be the leading Nordic research center in this field, with expertise in great demand. It is also to be a highly regarded and exciting arena for collaboration among researchers, students, financial practitioners and policy makers.

1.2. Highlights 2018

5th AP2-CFF Conference December 10
“Can Financial Research be used in the Finance Industry?”
Many financial institutions base part of their operations on results produced by researchers in finance. Recently, the robustness and interpretation of some of these results have been questioned and it is unclear whether they will hold up in the future. The reasons being e.g. so called p-hacking and issues related to the interpretation of statistical significance. The conference brought together researchers and practitioners to facilitate the discussion and development of ideas related to how and to what extent the finance industry can rely on financial research for their operations. The academic key-note speeches were by delivered Amit Goyal, University of Lausanne, and Lu Zhang, Ohio State University.

The 10th Nordic Corporate Governance Network Conference, June 14-15
The Centre hosted the yearly Nordic Corporate Governance Workshop June 14-15. Academic papers from all Nordic countries were presented at the workshop. We were especially happy that several Law Scholars participated in the workshop. The keynote speeches were given by Ronald Gilson, Professor Stanford Law School, and Inga-Britt Ahlenius, the former Under-Secretary General for the United Nations Office of Internal Oversight Services.

Edward Altman gave the 2018 Tore Browaldh lecture, May 31
Professor Edward Altman, Stern School of Business, New York University, gave the 2018 Tore Browaldh lecture. The title of the talk was “A 50-Year Retrospective on Credit Risk Models, the Altman Z-Score
Family of Models and Their Applications to Financial Markets and Managerial Strategies”. Professor Altman’s lecture was highly appreciated by finance professionals as well as by researchers and students.
2. Published works during 2018


3. Presentations at international scientific conferences, symposiums, workshops etc, 2018

Alizada, P. Wolpertinger conference, University of Modena and Regio Emilia, Modena, Italy, Aug 29 - Sep 1.
Paper: Duration of supplier-customer trade relationships

Elliot, V. Wolpertinger conference, University of Modena and Regio Emilia, Modena, Italy, Aug 29 - Sep 1.

Elliot, V. 10th Nordic Corporate Governance Network Conference, Gothenburg, June 14-15.
Paper: The impact of banks’ net regulatory burden on financial supply-chains.

Fang, D. Society for Advanced Economic Theory Annual Conference, Taipei, June 12.
Paper: Market Structure and the Speed of R&D

Paper: Turning up the heat: The demoralization effect of competition in contests

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Fang, D. Economics Seminar, Chapman University, Orange Country, May 3.
Paper: Turning up the heat: The demoralization effect of competition in contests

Paper: Less Competition, More Meritocracy?

Fang, D. Micro Theory Seminar, National University of Singapore, Singapore, Aug 15.
Paper: Less Competition, More Meritocracy?

Fang, D. Economics Seminar, Singapore Management University, Singapore, Aug 16.
Paper: Less Competition, More Meritocracy?

Herbertsson, A. 10th World Congress of the Bachelier Finance Society, Dublin, July 17.
Paper: CDS index options in Markov Chain Models

Hjalmarsson, E. Workshop on Financial Econometrics, Örebro University, November.
Paper: Compound returns

Hjalmarsson, E. European Summer Meeting of the Econometric Society, Cologne, August.

Paper: Initial Public Offerings, Subscription Precommitments and Venture Capital Participation
Kiss, T. Summer Workshop at the Hungarian Academy of Sciences, Budapest, August 9-11.
Paper: Predictive Regressions in Predictive Systems

Paper: Funds Transfer Pricing, Liquidity Premium and Market Structure

Paper: Cross Regional Differences in News Tone and the Change in Local Portfolios.

Mavruk, T. India Development Foundation Seminar, Gurgaon, India, April 22-23.
Paper: Cross Regional Differences in News Tone and the Change in Local Portfolios.

Mavruk, T. 54th Eastern Finance Association Annual Meetings, Philadelphia, USA, April 11-14.
Paper: Cross Regional Differences in News Tone and the Change in Local Portfolios.

Zamojski, M., International Association for Applied Econometrics, Montreal, June 26-29.
Paper: Filtering With Confidence: In-sample Confidence Bands For GARCH Filters

Paper: Dynamic term structure models with score-driven time-varying parameters: estimation and forecasting
4. New Working Papers 2018


Fang, D. and T. Noe. Less competition, more meritocracy?. Manuscript, Centre for Finance, University of Gothenburg.

Fang, D. and T. Noe. Market structure and the speed of R&D. Manuscript, Centre for Finance, University of Gothenburg.


Gangopadhyay, S., T. Mavruk, and S. Chakravarty. Patents’ time to grant: A study of China and India. Manuscript, Centre for Finance, University of Gothenburg.

Gärling, T., D. Fang, and M. Holmen. Review of behavioral explanations of increased risk taking induced by rank-based incentives to delegated investment managers. Manuscript, Centre for Finance, University of Gothenburg.

Herbertsson, A. CDS Index Options in Markov Chain Models. Manuscript, Centre for Finance, University of Gothenburg.


Jeppsson, H. Corporate and Independent Venture Capital: Substitutes or Complements? Manuscript, Centre for Finance, University of Gothenburg.

Kiss, T. Predictive Regressions in Predictive Systems. Manuscript, Centre for Finance, University of Gothenburg.

Mavruk, T. Do men outperform women in finance classes? Manuscript, Centre for Finance, University of Gothenburg.

5. CFF Seminars and Conferences 2018

Research seminars 2018

- Pete Kyle (Maryland)
  "Dimensional Analysis, Leverage Neutrality, and Market Microstructure Invariance"
  March 1

- Darya Yufereva (NHH Bergen)
  "Intraday Return Predictability, Informed Limit Orders, and Algorithmic Trading"
  March 8
  Read paper

- Egle Karmaziene (Groningen)
  "Incentives of Financial Analysts: Trading Turnover and Compensation"
  March 22
  Read paper

Angelo Rinaldo (St Gallen)
"OTC Premia"
April 12

Bjorn Hagstromer (Stockholm University)
"A Network Map of Information Percolation"
April 19
Read paper

Jorg Rocholl (ESMT Berlin)
"The Cleansing Effect of Banking Crises"
April 26
Read paper

Stefan Pitschner (Uppsala)
"Shortages in Corporate Liquidity During Crises and Normal Times: Evidence From Corporate Filings"
May 3
Read paper

Evangelos Benos (Bank of England)
"Centralized Trading, Transparency and Interest Rate Swap Market Liquidity: Evidence from the Implementation of the Dodd-Frank Act"
May 17

Edward Altman (NYU)
"Credit Cycle Outlook and the Altman Z-Score Models After 50 Years"
BrownBelt lecture
May 31
Youngju Nielsen (Sungkyunkwan University)
"The Value of Due Diligence: The Case for Passive Hedge Fund of Funds"
September 27
LinkedIn

Kasper Roszbach (Norges Bank)
"Collateral Damaged? Priority Structure, Credit Supply, and Firm Performance"
October 4

Jens Josephson (SBS Stockholm University)
"Credit Ratings and Structured Finance"
October 18

Igor Letina (Bern)
"Designing Dynamic Research Contest"
October 25
Read paper

Matthew Ringgenberg (Utah)
"Passive Investors and Passive Monitors"
November 8
Read paper

Julia Schaumburg (VU Amsterdam)
"Do information contagion and business model similarities explain bank credit risk commonalities?"
November 22
Read paper

Xin Zhang (Riksbanken)
"Score-driven tail shape, with application to bond yields at a high frequency"
November 29

Andrea Vedolin (Boston University)
"Central Bank Communication and the Yield Curve"
December 13
Read paper
Seminars 2018

"Some experiences from running start-ups"
with Jacob Rudbäck, CEO Yapstr
Date: Wednesday February 7

"Financial due diligence at EY Corporate Finance"
with Camilla Lindau and Sebastian Backlund, Ernst & Young
Date: Wednesday February 14

"Entrepreneurship and Curiosity"
with Bille Daar, Keel Capital
Date: Wednesday February 28

"Effekten av migration och höjd pensionsålder på pensionen resp. samhällsekonomin"
with Tommy Löwen, Pensionsmyndigheten
Date: Wednesday March 7

"Incitamentsystem för lärare, elever, föräldrar och stat i framtidens skola"
med Magnus Henrekson
Dag: onsdag 21:e mars

"Future retail arena"
with Camilla Wernlund, Head of New Business at Kapp Ahl
Date: Wednesday March 28

"HUR skall Kommuner och Landsting klara sitt uppdrag när inte skatter kan höjas? – Hur ser incitamenten ut för att minska beroendet av statsbidrag?"
with Annika Wallenskog, Chefsekonom SKL
Date: Wednesday April 18

"From Idea to Product – Challenges for Entrepreneurs"
with Anders Martin-Löf, CFO Wilson Therapeutics
Date: Wednesday April 25

"Trafikverket presenterar kalkylerna bakom Höghöstdagstågen"
med Peter Bernström, Trafikverket
Dag: Onsdag 26:e september

"Global In Vitro Fertilization Market"
with Peter Svalander, founder of Vitrolife
Date: Wednesday October 10
See presentation
"The Economic Consequences of Brexit"
with Gianmarco Ottaviano, Bocconi University and London School of Economics
Date: Wednesday November 7
See presentation

"Bodenheim Capitals Hedge Fund Strategy"
with Per Johansson, CEO Bodenheim
Date: Wednesday December 5
“Can Financial Research be used in the Finance Industry?”

Many financial institutions base part of their operations on results produced by researchers in finance. Recently, the robustness and interpretation of some of these results has been questioned and it is unclear whether they will hold up in the future. The reasons being e.g. so called p-hacking and issues related to the interpretation of statistical significance. The conference will bring together researchers and practitioners to facilitate the discussion and development of ideas related to how and to what extent the finance industry can rely on financial research for their operations.

13.30-14.00 Coffee

14.00-14.45 Hans Fahlin, Christoffer Grände and Tomas Morsing, AP2
"A case study of applied financial research: the Second Swedish National Pension Fund, AP2"

14.45-15.30 Lu Zhang, Ohio State University
“q5: Stress-testing factor models”

15.30-16.00 Coffee Break

16.00-16.45 Amit Goyal, University of Lausanne
"Anomalies and multiple hypothesis testing: Evidence from over two million trading strategies"

16.45-17.30 Utz Weizel, Utrecht University
“Risk perception of financial professionals and bubbles”

17.30-17.45 Break

17.45-18.15 Youngju Nielsen, Sungkyunkwan University
"Restoring confidence in finance academics"

18.15-18.45 Adam Farago, CFF
"Compound Returns"