

Chen Wang | Curriculum Vitae

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Education

Yale School of Management

Ph.D. in Financial Economics

Advisor: Nick Barberis

New Haven, CT

2014–Present

Columbia Business School

M.S. in Financial Economics

New York, NY

2012–2014

Peking University

B.A. in Finance (Honors), Guanghua School of Management

Beijing, China

2008–2012

Research Interests

Behavioral Finance, Asset Pricing

Research

Working Papers.....

- *Rediscover Predictability: Information from the Relative Prices of Long-term and Short-term Dividends* (2018), with Ye Li

Abstract: The prices of dividends at alternative horizons contain critical information on the behavior of aggregate stock market. The ratio between prices of long- and short-term dividends, "price ratio" (pr), predicts annual market return with an out-of-sample R^2 of 19%. pr subsumes the predictive power of traditional price-dividend ratio (pd). After orthogonalized to pr , the residuals of pd strongly predict dividend growth. Using an exponential-affine model, we show a one-to-one mapping between pr and the expected market return when the expectation of future cash flow is transient. Moreover, we find that return predictability is stronger after market downturns, and holds outside the U.S. As an economic test, shocks to pr are priced in the cross-section of stocks, consistent with ICAPM. Our measure of expected return declines during monetary expansions, and varies strongly with the conditions of macroeconomy, financial intermediaries, and sentiment.

- *Positive Feedback Trading and Stock Prices: Evidence from Mutual Funds* (2019), with Cameron Peng

Abstract: We show that mutual funds contribute to cross-sectional momentum and excess volatility through positive feedback trading. Stocks held by positive feedback funds exhibit much stronger momentum, almost doubling the returns from a simple momentum strategy. This "enhanced" momentum is robust to alternative measures of positive feedback trading and cannot be explained by other stock characteristics, ex-post firm fundamentals, fund flows, or herding. Moreover, enhanced momentum is almost fully reversed after one quarter, suggesting initial overshooting and subsequent reversal. We argue the most likely explanation is the price pressure from positive feedback trading. Finally, we relate positive feedback trading to mutual fund performance and show that it can positively predict a fund's return from active management.

- *Delegation Uncertainty* (2018), with Ye Li

Abstract: Delegation bears an intrinsic form of uncertainty. Investors hire asset managers for their

superior information, but delegation outcome is uncertain precisely because managers' information is unknown to investors. We model investors' delegation decision as a trade-off between asset return uncertainty and delegation uncertainty. Our theory explains several puzzles on fund performances. It also delivers asset pricing implications supported by our empirical analysis: (1) because investors partially delegate and hedge against delegation uncertainty, CAPM alpha arises; (2) the cross-section dispersion of alpha increases in uncertainty; (3) managers bet on alpha, engaging in factor timing, but factors' alpha is immune to the rise of their arbitrage capital – when investors delegate more, delegation hedging becomes stronger.

Work in Progress.....

- *Survey Expectations of Treasury Yield Curve: Extrapolative Belief and Return Predictability* (2019)

Conferences and Seminars

- 2019 RCFS/RAPS Conference at Baha Mar (×2), LSE (brownbag)*, USI Lugano*, ASU Sonoran Winter Finance Meeting*, European Winter Finance Summit (EWFS)*, MFA Annual Meeting*, SGF Conference*
- 2018 Econometric Society (North America Summer), CEPR ESSFM Gerzensee*, Geneva Workshop on Financial Stability in a New Era*, NFA Annual Meeting, UT Dallas Fall Finance Conference, Orebro Workshop on Predicting Asset Returns, CUHK*, HKUST Finance Symposium*, INSEAD (brownbag)*, 16th Paris December Finance Meeting*, University of Zurich*
- 2017 Yale SOM
- 2016 LBS Trans-Atlantic Doctoral Conference, Yale SOM

(including scheduled; * indicates presentation by coauthor)

Teaching Experiences

<p>Yale School of Management <i>Teaching Assistant</i></p> <ul style="list-style-type: none"> ○ (MBA/EMBA) Portfolio Management × 3 ○ (PhD) Asset Pricing Theory ○ (MBA/Undergraduate) Next China × 2 ○ (MBA) Corporate Finance × 4 ○ (MBA) Behavioral Finance <p>Columbia Business School <i>Research Assistant and Teaching Assistant</i></p>	<p>New Haven, CT 2015-</p> <p>New York, NY 2013–2014</p>
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Honors and Awards

- 16th Paris December Finance Meeting Award for the Best Paper
- Whitebox Advisors Fellowship, Yale International Center for Finance, 2019
- Whitebox Research Grant, Yale International Center for Finance, 2018
- AFA Doctoral Student Travel Grant, 2019
- Yale University Fellowship, 2014-2019
- Robin Li (Baidu) Scholarship, Peking University, 2010
- International Student Scholarship, Peking University and York University, 2010
- Academic Excellence Award, Peking University, 2009

Invited Participation

- 5th PhD Summer School in Dysfunctional Finance 2014
- MIT Capital Markets Research Workshop 2015
- Princeton Initiative 2015
- Yale Behavioral Finance Summer School 2017
- NBER Summer Institute 2016, 2017, 2018
- NBER Behavioral Finance Meetings

Professional Experiences

Goldman Sachs

Quantitative Investment Strategy, Global Macro

New York, NY

2013 Summer

Citigroup Global Markets

Fixed Income & Currencies Trading

Shanghai, China

2011 Summer

Additional

Programming Languages: Python, Matlab, R, SAS, Stata, Julia, C++

Mandarin Chinese: Native

English: Proficient

Last Update: Feb. 2019