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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BNY MELLON
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.

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**

| Time     | Session                                      |
|----------|----------------------------------------------|
| 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** |
### 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

### Break

#### 3:00-3:30

#### 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**

**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”

| Time          | Event                                                                                           |
|---------------|-------------------------------------------------------------------------------------------------|
| 7:30-9:00     | **BANKING**                                                                                     |
|               | **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    | **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**                                                                                 |
|               | **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, Lora’n Chollete, and Teresa Starzecki                      |
|               | **Presenter:** Walker Keener Hughen, Sacred Heart University                                  |
|               | **Discussant:** Neil Pearson, University of Illinois at Urbana-Champaign                        |
| Time       | Session                                      | Location          |
|------------|----------------------------------------------|-------------------|
| 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**<br>Author(s): Blerina Bela Zykaj, Avishek Bhandari, and Babak Mammadov<br>Presenter: Blerina Bela Zykaj, Clemson University<br>Discussant: Swasti Gupta-Mukherjee, Loyola University Chicago |                   |
|            | **Trading Venue Preference: Critical Role of Institutional Ownership**<br>Author(s): Vinh Huy Nguyen, Suchismita Mishra, and Le Zhao<br>Presenter: Vinh Huy Nguyen, California State University, Fresno<br>Discussant: Blerina Bela Zykaj, Clemson University |                   |
|            | **Heterogeneities in Asset Categorization and Mutual Funds: Portfolio Choice, Manager Skill, and Performance**<br>Author(s): Swasti Gupta-Mukherjee<br>Presenter: Swasti Gupta-Mukherjee, Loyola University Chicago<br>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**<br>Author(s): Robert Parham, Brent Kitchens, and Chris Yung<br>Presenter: Robert Parham, University of Virginia<br>Discussant: Joseph Henry, Rowan University |                   |
|            | **The Value of Off-Exchange Data**           |                   |
|            | **Author(s): Thomas Ernst, Jonathan Sokobin, and Chester Spatt<br>Presenter: Thomas Ernst, University of Maryland<br>Discussant: Robert Parham, University of Virginia** |                   |
|            | **The Breadth of IPO Marketing**             |                   |
|            | **Author(s): Joseph Henry, Matthew Gustafson, Emily Kim, and Kevin Pisciotta<br>Presenter: Joseph Henry, Rowan University<br>Discussant: Thomas Ernst, University of Maryland** |                   |
| 12:30-2:00 | **LUNCH**                                    | **IVY ROOM**      |
|            | **INTRODUCTION:** JANET LENAGHAN, INTERIM PROVOST, HOFSTRA UNIVERSITY<br>**KEYNOTE SPEAKER:** BRIAN RUANE<br>CEO, BNY MELLON GOVERNMENT SECURITIES SERVICES CORP.<br>**TOPIC:** “THE EVOLUTION OF THE US TREASURY MARKET” |                   |
| Time       | Session                                      | Room          |
|------------|----------------------------------------------|---------------|
| 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**                                    |               |
| Time         | Session                                      | Room          |
|--------------|----------------------------------------------|---------------|
| 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 UniteIlma 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 UniteIlma Sapienza, Italy |          |
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.

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Saturday, April 30, 2022

**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 CRISSES”**

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**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

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

The Center for International Financial Services and Markets would like to thank BNY Mellon for their generous support in sponsoring the event.

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

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