Queen Mary University of London School of Business and Management | Harvard Business School | Newcastle University Business School

Behavioural Finance Working Group Conference Programme

Monday 12 June – Tuesday 13 June 2017

Venue
School of Business and Management, The Bancroft Building, Queen Mary University of London Mile End Road London, E1 4NS

Keynote Speaker
Malcolm Baker (Harvard Business School)

Practitioner's Session
Chantal Richer, Canada Deposit Insurance Corporation
Brad Evenson, Canada Deposit Insurance Corporation

Special Issue
Review of Behavioral Finance

Best Paper Awards
Best Qualitative Paper Award: Qualitative Research in Financial Markets
Best Quantitative Paper Award: Review of Behavioral Finance

PhD Student Sponsorships
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Organisers
Gulnur Muradoglu, Queen Mary University of London
Darren Duxbury, Newcastle University

ICAEW | Qualitative Research in Financial Markets (Emerald) | Review of Behavioral Finance

Monday 12 June

Registration (Ground Floor Foyer) - 8.00-9.00

Session 1 - 9.00-10.30

Session 1A: Behavioural Biases 1 — **Chair: Thérèse Lind**
Room Bancroft 3.23

The Disposition Effect in Social Trading: Influence of Transparency on Investment Decisions

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Speaker: Marcel Lukas, University of Edinburgh
Co-author(s): Arman Eshraghi and Jo Danbolt, University of Edinburgh
Discussant: Thérèse Lind

The impact of cognitive abilities on financial behaviour and well-being

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Speaker: Thérèse Lind, Linköping University, Sweden
Co-author(s): Kenny Skagerlund, Camilla Strömbäck, Gustav Tinghög and Daniel Västfjäll, Linköping University, Sweden
Discussant: Raone Botteon Costa

A sistematic test for myopic loss aversion and the equity premium puzzle

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Speaker: Raone Botteon Costa, FGV-EESP (Brazil)
Discussant: Marcel Lukas

Session 1B: Trading Strategies — **Chair: Robert Hudson**
Room Bancroft 3.26

Momentum Effects in China: A Review of the Literature and an Empirical Explanation of Prevailing Controversies

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Speaker: Bartosz Gebka, Newcastle University Business School, UK
Co-author(s): Yunlin Yang, Rangsit University, Thailand and Robert Hudson, Hull University Business School, UK
Discussant: Carina Cuculiza

Hispanic Culture, Local Return Chasing, and Momentum Returns

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Speaker: Carina Cuculiza, University of Miami
Co-author(s): Jawad M. Addoum, Cornell University, Alok Kumar and Stuart J. Webb, University of Miami
Discussant: Wolfgang Aussenegg

IPO lockups and insider trading

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Speaker: Wolfgang Aussenegg, Vienna University of Technology
Co-author(s): Wasim Ahmad, University of Birmingham and Ranko Jelic, University of Sussex
Discussant: Bartosz Gebka

Session 1C: Investor Behaviour — **Chair: Muhamed Alsharman**
Room Bancroft 3.40

Survey Study in an Emerging Market: Crisis Expectation and Demographic Data

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Speaker: Belma Öztürkkal, Kadir Has University
Discussant: Muhamed Alsharman

Stock market participation among French retail clients of a commercial bank

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Speaker: Hava Orkut, University of Strasbourg
Co-author: Marie-Hélène Broihanne, University of Strasbourg
Discussant: Belma Öztürkkal

Analysing Financial Herding Through Network Analysis

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Speaker: Muhamed Alsharman, Bath University and CheckRisk LLP
Co-author(s): Dr Richard Fairchild, Alex Hultin and Dr Neal Hinvest, Bath University
Discussant: Hava Orkut

Coffee Break (Third Floor Foyer) - 10.30-11.00

Session 2 - 11.00-12.30

Session 2A: Investor Behaviour 1 — **Chair: James Bowden**
Room Bancroft 3.23

**Prevailing behavioural biases and investor profiles:
A survey to Professional Investors**

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Speaker: Manuel González-Igual, Universidad Pontificia Comillas ICADE
Co-author(s): Maria Teresa Corzo Santamaria and Patricia Castán Agustín, Universidad Pontificia Comillas ICADE
Discussant: Dimitrios Kostopoulos

Google Search Volume and Individual Investor Trading

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Speaker: Dimitrios Kostopoulos, Leibniz Universität Hannover
Co-author: Steffen Meyer, Leibniz Universität Hannover
Discussant: James Bowden

Behaviour on the Boards: Motivations for Information-Sharing within Online Communities and Intraday Securities Pricing Effects

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Speaker: James Bowden, University of Dundee
Co-author(s): Bruce Burton and David Power, University of Dundee
Discussant: Maria Teresa Corzo Santamaria

Session 2B: Fund and Portfolio Management — **Chair: Vasileios Kallinterakis**
Room Bancroft 3.26

UK-authorised unit trusts performance evaluation: evidence from daily returns

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Speaker: Yanyu Li, Newcastle University
Discussant: Vasileios Kallinterakis

On the Impact of Country ETFs' Premiums and Discounts over Feedback Trading

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Speaker: Vasileios Kallinterakis, University of Liverpool
Co-author(s): Fei Liu and Athanasios Pantelous, University of Liverpool
Discussant: Biwesh Neupane

The Influence of Foreign Portfolio Investors on Tax Policy

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Speaker: Biwesh Neupane, University of Strathclyde
Co-author(s): Andrew Marshall, University of Strathclyde, Suman Neupane and Chandra Thapa, Griffith University
Discussant: Yanyu Li

Session 2C: Behavioural Biases 2 — **Chair: Ben Van Vliet**
Room Bancroft 3.40

Capability Satisficing in High Frequency Trading

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Speaker: Ben Van Vliet, Illinois Institute of Technology
Discussant: Francisco Villanueva

The Impact of the Format of the Financial Statements on the Disposition Effect

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Speaker: Francisco Villanueva, Universidad Pontificia de Comillas
Discussant: Nelson Camanho

The Mortgage Illusion

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Speaker: Nelson Camanho, Católica Lisbon
Co-author(s): Daniel Fernandes, Católica Lisbon
Discussant: Ben Van Vliet

Lunch (Ground Floor Foyer) - 12.30-13.30

Session 3- 13.30-15.30

Session 3A: Sentiment 1 Room Bancroft 3.23			**Chair: Deven Bathia**
Technical Analysis, Sentiment and the Cross-sectional Stock Returns	**Beyond Market Mood: Stock Sentiment and the Response to Corporate Earnings Announcements**	**Sentiment, stock returns, and regime-varying impact**	**Investor Sentiment: Does it augment the performance of asset pricing models?**
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Speaker: Wenjie Ding, Cardiff University **Co-author(s):** Khelifa Mazouz and Qingwei Wang, Cardiff University and Owain ap Gwilym, Bangor University **Discussant:** Nikolaos Karampatsas	**Speaker:** Nikolaos Karampatsas, University of Surrey **Co-author(s):** Soheila Malekpour and Andrew Mason, University of Surrey **Discussant:** Wenzhao Wang	**Speaker:** Wenzhao Wang, Newcastle University **Co-author(s):** Darren Duxbury and Chen Su, Newcastle University **Discussant:** Deven Bathia	**Speaker:** Deven Bathia, Queen Mary University of London **Co-author:** Don Bredin, University College Dublin **Discussant:** Qingwei Wang

Session 3B: Emotions Room Bancroft 3.26			**Chair: Richard Taffler**
Influence of Extraversion and Neuroticism on Risk Attitude, Risk Perception and Return Expectations	**Traders, emotions and risk behaviours**	**Asset Pricing Bubbles and Investor Emotions: An Empirical Analysis of the 2014 – 2016 Chinese Stock Market Bubble**	**Information Cascades, Herding and Emotional Investors in an IPO: Rational Decision-Making Distorted by Phantasy**
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Speaker: Florian Wedlich, Bamberg University **Co-author:** Andreas Oehler, Bamberg University **Discussant:** Belinda Vigors	**Speaker:** Belinda Vigors, University of Greenwich **Discussant:** Richard Taffler	**Speaker:** Richard Taffler, Warwick Business School **Co-author(s):** Vineet Agarwal, Cranfield School of Management and Chenyang Wang, University of Birmingham, **Discussant:** Richard Fairchild	**Speaker:** Richard Fairchild, University of Bath **Co-author(s):** Muhamed Alsharman, Neal Hinvest and James McDermottroe, University of Bath **Discussant:** Florian Wedlich

Session 3C: Experimental Finance Room Bancroft 3.40			**Chair: Brian Kluger**
Implied Volatility and Investor Beliefs in Experimental Asset Markets	**The wisdom of the inner crowd in three large natural experiments**	**Young Adults' Subjective and Objective Risk Attitude in Financial Decision Making: Evidence from the Lab and the Field**	**Capital Gains Overhang with a Dynamic Reference Point**
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Speaker: Brian Kluger, University of Cincinnati **Co-author(s):** Lucy F. Ackert, Kennesaw State University and Li Qi, Agnes Scott College **Discussant:** Martijn van den Assem	**Speaker:** Martijn van den Assem, VU University Amsterdam **Co-author(s):** Dennie van Dolder, University of Nottingham **Discussant:** Matthias Horn	**Speaker:** Matthias Horn, Bamberg University **Co-author(s):** Andreas Oehler and Florian Wedlich, Bamberg University **Discussant:** Christopher Riley	**Speaker:** Christopher Riley, University of Leeds **Co-author(s):** Barbara Summers, University of Leeds and Darren Duxbury, Newcastle University **Discussant:** Brian Kluger

Coffee Break (Third Floor Foyer) - 15.30-16.00

Session 4 - 16.00-17.30

Session 4A: Financial Markets **Room Bancroft 3.23**		**Chair: Fabrizio Casalin**
The quiet revolution: AIM SMEs rule the UK SEO market	**Irrational Exuberance in Financial Markets:** **Empirical Evidence from Investor Sentiment in the Shanghai Stock Exchange**	**Determinants of holiday effects in mainland Chinese and Hong-Kong markets**
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Speaker: Sofia Stamou, University of Essex **Co-author(s):** Jerry Coakley, University of Essex and Business and Local Government Data Research Centre and Hardy Thomas, University of Essex **Discussant:** Xiao Han	**Speaker:** Xiao Han, University of Bath **Discussant:** Fabrizio Casalin	**Speakers:** Fabrizio Casalin, Newcastle University **Discussant:** Sofia Stamou

Session 4B: M&A **Room Bancroft 3.26**		**Chair: Ni Peng**
Relative Reference Prices and M&A Misvaluations	**Merger synergies, bidding competition and industry**	**Product similarity and the motives for related mergers**
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Speaker: Zhenlong Li, Durham University **Co-author(s):** Jie (Michael) Guo, Durham University and Panagiotis Andrikopoulos, Coventry University **Discussant:** Chunling Xia	**Speaker:** Chunling Xia, Queen Mary University of London **Co-author(s):** Jana P. Fidrmuc, University of Warwick **Discussant:** Ni Peng	**Speaker:** Ni Peng, Queen Mary University of London **Co-author(s):** Ning Gao and Norman Strong, University of Manchester **Discussant:** Zhenlong Li

Session 4C: Corporate Finance **Room Bancroft 3.40**		**Chair: Tom Aabo**
LinkedIn, CEO narcissism and corporate risk	**Is Good News for a Firm also Good News for a Nearby Firm? Geography and Co-movement** **of Stock Returns**	**The Investment Flexibility of Zero-leverage Firms**
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Speaker: Tom Aabo, Aarhus University **Co-author:** Nicklas Bang Eriksen, Novo Nordisk A/S, **Discussant:** Vahap Uysal	**Speaker:** Vahap Uysal, DePaul University **Co-author:** Seth A. Hoelscher Missouri State University **Discussant:** Bayan Alsedais	**Speaker:** Bayan Alsedais, Queen Mary University of London **Discussant:** Tom Aabo

Keynote Speech (David Sizer Lecture Theatre) - 17.30 18.30
Malcolm Baker (Harvard Business School)

Title: Where to take risk? The pricing of interest rate risk in the stock market

Abstract: Where should you take risk in the capital markets? This question usually suggests a consideration of strategic asset allocation: How much on average of your portfolio to put in stocks, bonds, cash, and other asset classes. Sometimes it means tactical asset allocation: Where to invest right now.

This presentation will focus on a different framing on the question of where to take risk. Capital markets offer up exposures to the same underlying risks, but in distinct segments of the capital markets. For example, you can increase your exposure to falling US interest rates in at least three different ways. You could buy a long-term bond, which stands to rise in value if interest rates fall. Alternatively, you could buy a medium-term bond with just enough leverage, so that it would rise by exactly the same amount with a level shift in interest rates. Or, less directly, you might tilt your stock portfolio toward stocks that have a high exposure to interest rates, or high “bond betas.”

In an efficient and integrated market the answer is simple. The return to the same risk – wherever you take it – is the same. In inefficient and segmented markets, that need not be the case. This presentation will take an exploratory look at interest rate risk and its transmission to the stock market, offering some tentative answers to the question of where to take risk along the way.

Bio: Malcolm Baker is the Robert G. Kirby Professor of Business Administration at the Harvard Business School, where he is the Unit Head for finance, and the program director for corporate finance at the National Bureau of Economic Research.

His research is in the areas of behavioral finance, corporate finance and capital markets, with a primary focus on the interactions among corporate finance, investor behaviour and inefficiency in capital markets.

Professor Baker has made numerous presentations to academic and practitioner audiences. His research awards include the 2002 Brattle Prize, given annually by the American Finance Association to the best corporate finance paper in the Journal of Finance, second place for the 2012 Jensen Prize, given annually by the Journal of Financial Economics, the 2011 Sharpe Award, given annually by the Journal of Financial and Quantitative Analysis, and the 2011 and 2014 Graham and Dodd Scroll, given annually by the Financial Analysts Journal. He has served as associate editor for the Journal of Finance and the Review of Financial Studies.

Baker has taught in the first and second year of the MBA program at Harvard Business School and in several executive education programs. He has developed elective courses in investment strategies and behavioral finance.

Baker received a Ph.D. in business economics from Harvard University, an M.Phil. in finance from Cambridge University, and a bachelor's degree in applied mathematics-economics from Brown University. Before beginning his doctoral studies, he was a senior associate at Charles River Associates and a member of the US Olympic rowing team.

Outside of Harvard, he serves as a director of research at Acadian Asset Management, an institutional asset management firm focusing in active global and international equity strategies, and as a board member at Triton International, the world's largest intermodal container leasing company.

Dinner (Mucci’s Restaurant) - 18.30-20.30

Tuesday 13 June

Registration (Ground Floor Foyer) - 8.30-9.30

Review of Behavioural Finance	Editorial Board Meeting	By invitation only

Session 5 - 9.30-11.00

Session 5A: Bond and Futures Investments
Room Bancroft 3.23
Chair: Demir Bektic

Risk-Taking Behavior and Profitability: A Trade-by-Trade Examination of Retail Traders in Futures Market

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Speaker: Teng Yuan Cheng, Nanjing Audit University
Co-author(s): Chun I Lee, Loyola Marymount University and Chao Hsien Lin, National Kaohsiung First University of Science and Technology,
Discussant: Giorgia Simion

What Drives the Concentration of Households' Investments in Bank Bonds?

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Speaker: Giorgia Simion, University of Venice
Discussant: Demir Bektic

Exploiting Uncertainty with Market Timing in Corporate Bond Markets

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Speaker: Demir Bektic, Darmstadt University of Technology
Co-author: Tobias Regele, Allianz Global Investors GmbH
Discussant: Teng Yuan Cheng

Session 5B: Risk Behaviour
Room Bancroft 3.26
Chair: Chris Brooks

Effects of Culture on Individual Financial Risk Tolerance Across the Life Span: Does Cushion Wear Out Over Time?

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Speaker: Ngan (Rosie) Cao, Newcastle University
Co-author(s): Darren Duxbury and Susan Chilton, Newcastle University
Discussant: Chris Brooks

Why are older investors less willing to take financial risks?

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Speaker: Chris Brooks, Henley Business School
Co-author(s): Ivan Sangiorgi, Carola Hillenbrand and Kevin Money, Henley Business School
Discussant: Tommy Gärling

Risky Choice in Dyads Related to Individual Risk Preference, Social Comparison, and Competition

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Speaker: Tommy Gärling, University of Gothenburg
Co-author(s): Dawei Fang, Martin Holmen and Patrik Michaelsen, University of Gothenburg
Discussant: Ngan (Rosie) Cao

Session 5C: Sentiment 2
Room Bancroft 3.40
Chair: Veelaiporn Promwichit

Can Social Media Sentiment Predict the Market?

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Speaker: Veelaiporn Promwichit, University of Edinburgh
Co-author(s): Arman Eshraghi and Ronan Gallagher, University of Edinburgh
Discussant: Haifeng Guo

Investor Sentiment regimes, Monetary Policy Shocks, and Stock Price Reaction

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Speaker: Haifeng Guo, University of Glasgow
Co-author(s): Chi-Hsiou D. Hung, University of Glasgow and Alexandros Kontonikas, University of Essex,
Discussant: Oussama Baher

Analyst Forecast Error and investor sentiment in cross- sectional returns

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Speaker: Oussama Baher, University of Sussex
Co-author(s): Sina Badreddine and Ephraim Clark, Middlesex University
Discussant: Veelaiporn Promwichit

Coffee Break (Third Floor Foyer) - 11.00-11.30

Session 6 - 11.30-13.00

Session 6A: Professional Investors **Chair: Emre Tarim**
Room Bancroft 3.23

Robo Advisers vs. Humans: Which Make the Better Financial Advisers?

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Speaker: John Turner, Pension Policy Center
Co-author: Jill E. Fisch, University of Pennsylvania Law School
Discussant: Emre Tarim

How do financial analysts and equity salespeople make sense and cope with uncertainty?

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Speaker: Emre Tarim, Lancaster University
Discussant: Zwetelina Iliewa

Wall Street Crosses Memory Lane: How Witnessed Returns Affect Professionals' Expected Returns

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Speaker: Lena M. Jaroszek, Copenhagen Business School
Co-author(s): Arvid O. I. Homann, University of Adelaide and Zwetelina Iliewa, Centre for European Economic Research
Discussant: John Turner

Session 6B: Corporate Finance **Chair: Bonnie Buchanan**
Room Bancroft 3.26

Corporate Social Responsibility, Firm Value and External Corporate Governance

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Speaker: Bonnie Buchanan, Seattle University
Co-author(s): Cathy (Xuying) Cao, Seattle University and Ben (Chongyang) Chen, Pacific Lutheran University
Discussant: Danial Hemmings

Does 'Puffery' Matter? Positive Framing and Market Conditioning Prior to SEOs

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Speaker: Danial Hemmings, Bangor University
Discussant: Robert Hudson

The Determinants of Equity Market Timing: Evidence from IPOs and SEOs in Thailand

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Speaker: Robert Hudson, University of Hull
Co-author(s): C. Kumpamool and Y. Guney, University of Hull
Discussant: Bonnie Buchanan

Session 6C: Investor Behaviour 2 **Chair: Gi H. Kim**
Room Bancroft 3.40

All That Glitters is Not Gold: Asymmetric Investor Attention in the Stock Market

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Speaker: Katrin Goedker, University of Hamburg
Co-author(s): Moritz Lukas, University of Hamburg
Discussant: Gi H. Kim

The First Cut is the Deepest: Primacy Effect in Stock Market Participation

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Speaker: Gi H. Kim, University of Warwick
Co-author(s): Ozlem Arikan, Arie E. Gozluklu and Hiroaki Sakaguchi, University of Warwick
Discussant: Hannes Stieperaere

Investor Attention and Short-Term Price Reversals

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Speaker: Michiel Lescrauwaet, Ghent University
Co-author(s): Dries Heyman and Hannes Stieperaere, Ghent University
Discussant: Nicolas Dierick

Lunch (Ground Floor Foyer) - 13.00-14.00

Session 7 - 14.00-15.30

Practitioner's Panel: Financial Behaviour and Deposit Insurance
Room: David Sizer Lecture Theatre

Speakers:
Chantal Richer, Canada Deposit Insurance Corporation
Brad Evenson, Canada Deposit Insurance Corporation

Coffee Break (Third Floor Foyer) - 15.30 16.00

Session 8 - 16.00-18.00

Session 8A: Ethical Investing **Chair: Colin Haslam**
Room Bancroft 3.23

The Demand for Socially Responsible Investments

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Speaker: Mariacristina Rossi, University of Turin
Co-author(s): Dario Sansone, Georgetown University, Arthur van Soest, Netspar and Tilburg University and Costanza Torricelli, University of Modena and Reggio
Discussant: Yueting (Catherine) Cui

Feedback Trading and the Ramadan Effect in International Islamic Financial Markets

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Speaker: Yueting (Catherine) Cui, University of Liverpool
Co-author(s): ● Dr. Vasileios Kallinterakis and Dr. Panagiotis Andrikopoulos, University of Liverpool
Discussant: Colin Haslam

Fair Value Accounting (FVA) in the S&P500: Value relevant information for investors or hazard to society when installed in financialized firms

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Speaker: Colin Haslam, Queen Mary University of London
Co-author(s): Nick Tsitsianis and Mario Abela , Queen Mary University of London
Discussant: Mariacristina Rossi

Session 8B: Stock Returns **Chair: William Forbes**
Room Bancroft 3.26

Affect and stock returns

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Speaker: Matthias Pelster, Leuphana University of Lueneburg
Co-author: Bastian Breitmayer, Leuphana University of Lueneburg
Discussant: Maurizio Montone

Wage gap and stock returns

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Speaker: Maurizio Montone, Erasmus University Rotterdam and Tinbergen Institute
Co-author(s): Ingolf Dittmann and Yuhao Zhu Erasmus University Rotterdam and Tinbergen Institute
Discussant: William Forbes

The gross profitability anomaly: UK evidence

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Speaker: William Forbes, University of Groningen
Co-author(s): Roelof Salamons and Tim van de Pol, University of Groningen
Discussant: Matthias Pelster

Session 8C: Financial Behaviour **Room Bancroft 3.40**			**Chair: Simon McNair**
How does Consumer Vulnerability Impact Financial Outcomes? Download PDF **Speaker:** Simon McNair, University of Leeds **Co-author:** Arvid Hoffman, University of Adelaide **Discussant:** Ylva Baeckstrom	**Wealthy investors and financial advice: Variations in self and social perceptions** Download PDF **Speaker:** Ylva Baeckstrom, City University London **Co-author:** Jo Silvester, City University London **Discussant:** Camilla Strömbäck	**Financial Attention and the Disposition Effect** Download PDF **Speaker:** Nicolas Dierick, University of Ghent **Co-authors:** Dries Heyman, Koen Inghelbrecht, Hannes Stieperaere, University of Ghent **Discussant:** Dylan Thomas	**Does Self-Control Predict Financial Behavior and Financial Well-Being?** Download PDF **Speaker:** Camilla Strömbäck, Linköping University, Sweden **Co-author(s):** Thérèse Lind, Kenny Skagerlund, Gustav Tinghög and Daniel Västfjäll, Linköping University **Discussant:** Simon McNair

Dinner (Mucci's Restaurant) - 18.00-20.00