
CONTACT INFORMATION	Finance Department, Gies School of Business 1206 S Sixth Street Champaign, IL 61820	(217)417-2194 yz33@illinois.edu Website
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EDUCATION	University of Illinois at Urbana-Champaign	
	Ph.D. candidate, Finance	Aug. 2020 - Present
	M.S., Finance (with honor)	Aug. 2018 - Dec. 2019
	Jilin University, China	
	B.A., Economics	Aug. 2014 - July 2018

RESEARCH INTERESTS	Monetary Policy, Asset Pricing, Macro-finance
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REFERENCES	<p>Dr. Heitor Almeida Professor of Finance and Stanley C. and Joan J. Golder Distinguished Chair in Corporate Finance Gies School of Business University of Illinois at Urbana-Champaign halmeida@illinois.edu</p> <p>Dr. Timothy C. Johnson Karl and Louise Schewe Professor of Finance Gies School of Business University of Illinois at Urbana-Champaign tcj@illinois.edu</p>
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WORKING PAPERS	“Reallocation and Intermediary”
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Job Market Paper

This project asks whether the financial intermediaries can affect reallocation in a two sector general equilibrium model.

“The Role of Belief Heterogeneity in Shaping the Term Structure of Equity Premia”

(with Hamilton Galindo Gil)

Presentation: SWFA 2024, FMA Applied Finance 2024, FMA Asia 2024, FMA 2024 (scheduled), SFA 2024 (scheduled)

We show that equity financing constraints play a unique role in the amplification of monetary policy shocks. Employing a text-based metric of financial constraint that distinguishes between a company’s emphasis on equity versus debt financing, we show that equity-focused constrained firms endure more

substantial declines in stock prices and implement deeper cuts in capital expenditures and R&D when faced with a contractionary monetary policy shock. Equity-focused constrained firms significantly reduce equity issuance in response to tighter monetary policy. Conversely, debt-focused constraints do not seem to play an economically significant role in magnifying the impact of monetary policy shocks. Our findings suggest that a pecking order theory describes the choice of the form of finance, with firms preferring debt finance to equity, and hence firms resorting to equity finance being more financially constrained.

“Endogenous Duration and Monetary Policy”

(with Heitor Almeida, Timothy Johnson, Sebastiao Oliveira)

Presentation: SWFA 2024, FMA Applied Finance 2024, FMA Asia 2024, FMA 2024 (scheduled), SFA 2024 (scheduled)

This project asks whether firms actively manage the duration profile of investment when interest rate changes. We construct measures of duration for firm balance sheet components, especially for both tangible and intangible capital. We find that the duration of the investment profile responds significantly to monetary policy, in line with the debt maturity profile. The duration of both asset and debt components decreases when the Fed surprisingly tightens. We also find consistent evidence for proxies of firm cash-flow duration.

“The Role of Equity Financing Constraints in the Transmission of Monetary Policy”

(with Heitor Almeida, Timothy Johnson, Sebastiao Oliveira)

Presentation: SWFA 2024, FMA Applied Finance 2024, FMA Asia 2024, FMA 2024 (scheduled), SFA 2024 (scheduled)

We show that equity financing constraints play a unique role in the amplification of monetary policy shocks. Employing a text-based metric of financial constraint that distinguishes between a company’s emphasis on equity versus debt financing, we show that equity-focused constrained firms endure more substantial declines in stock prices and implement deeper cuts in capital expenditures and R&D when faced with a contractionary monetary policy shock. Equity-focused constrained firms significantly reduce equity issuance in response to tighter monetary policy. Conversely, debt-focused constraints do not seem to play an economically significant role in magnifying the impact of monetary policy shocks. Our findings suggest that a pecking order theory describes the choice of the form of finance, with firms preferring debt finance to equity, and hence firms resorting to equity finance being more financially constrained.

“Are We Friends? Cross-Predictability of Stock Returns”

(with Filipe Correia)

This paper finds evidence of return predictability across firms that are linked together through an implicit economic network, created by overlapping customer base. Using a data set of debit card transactions from 2011 to 2020, we identify the firm pairs with similar customer base (“peer firms”) and exploit the

information channel in the presence of timing differences in firms' quarterly announcements. We test the hypothesis that given investors' limited attention, stock prices do not promptly incorporate news about peer firms, generating return predictability across assets. We show that stock prices do not fully react to news of peer firms, especially when firms announce earnings in different time periods. A long-short equity strategy based on this information channel yields monthly alphas of over 100 basis points. We also find evidence that the cross-predictability mainly comes from peer firms that are substitute rather than complementary.

WORK IN PROGRESS	<p>“The Spillover Effects of U.S. Monetary Policy to Emerging Markets: The Substitution in Firm Financing Decisions” with Sebastiao Oliveira</p> <p>“The Other Half” with Divij Kohli, Justin Mohr</p>
SEMINARS & CONFERENCES	<p>2024 SWFA; FMA Applied Finance; FMA Asia; FMA; UIUC; SFA*</p> <p>2022 UIUC (*): co-author presentation</p>
SERVICE	<p>Referee Journal of Empirical Finance</p> <p>Discussion Li, Kogan, and Qiao, <i>“Asset Growth Effect and Q Theory of Investment”</i></p>
TEACHING	<p>Teaching Assistant, FIN 552/592 Applied Financial Econometrics/Empirical Analysis in Finance (Graduate/PhD, 2024) Professor: Mathias Kronlund Department of Finance, UIUC</p> <p>Teaching Assistant, Corporate Finance (Undergraduate, 2022-2023) Professor: Michael Dyer Department of Finance, UIUC</p> <p>Teaching Assistant, Personal Wealth Management (Undergraduate, 2019) Professor: Jialan Wang Department of Finance, UIUC</p> <p>Teaching Assistant, FinTech (Graduate, 2019) Professor: Jialan Wang Department of Finance, UIUC</p>
ADDITIONAL	<p>UIUC Finance Ph.D. Reading Group (Co-organizer) 2022-present</p> <p>Mitsui Center Summer School on Structural Estimation (Participant) 2021</p> <p>Macro Finance Society Summer School (Participant) 2021-present</p> <p>Demand System Asset Pricing Workshop (Participant) 2022</p> <p>CEMFI Macroeconomics Summer School (Participant) 2023</p> <p>Econometric Society Summer School (Participant) 2023</p>

	Heterogeneous Agent in Asset Pricing Summer School (Participant)	2024
HONORS AND AWARDS	University Block Grant Fellowship Schewe Fellowship Joseph E. Zwisler and Ouida Wald Zwisler Summer Doctoral Fellowship Greg Gulick Honorary Research Award Kenneth Carey Memorial Fellowship in Finance Beatrice Fellowship Department of Finance Doctoral Fellowship Jilin University Fellowship	
LANGUAGES	English, Chinese, R, L ^A T _E X, STATA, MATLAB, julia	