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EDUCATION

- Ph.D. Finance (Aug 2007), Mays Business School, Texas A&M University
- M.S. Finance (2003), Texas A&M University
- M.S. Sociology (2002), Texas A&M University
- B.A. International Finance and English (1997), Xi'an Foreign Language University, China

MAJOR FIELDS OF INTEREST

- Research: Empirical Asset Pricing, Market Microstructure, Corporate Finance
- Teaching: Investments, Trading and Markets, Corporate Finance, and International Finance

RESEARCH PAPERS

- “Short selling and the informational efficiency of prices”
An earlier draft titled “*Uptick Rule, short selling and price efficiency*” was discussed at the SEC Roundtable on Reg SHO and is cited by the SEC in its final rule on Reg SHO and Rule 10a-1 (Release No. 34-55970; File No. S7-21-06).
- “Order flow and prices” (with Ekkehart Boehmer)
- “Demutualization and stock exchange performance” (with Ekkehart Boehmer)
- “Commercial bank participations in leveraged buyouts: some evidence on wealth effects and wealth transfers” (with Ekkehart Boehmer)

PAPERS PRESENTED AT PROFESSIONAL MEETINGS

- 2007 American Finance Association, Chicago
“Order flow and prices”
- 2007 Q-Group Fall Seminar (presented by co-author), Scottsdale
“Order flow and prices”
- 2007 Financial Management Association Special PhD Student Paper Presentation Sessions, Orlando
“Short selling and the informational efficiency of prices”
- 2006 Workshop on the Microstructure of Foreign Exchange and Equity Markets, Ottawa, Canada
“Order flow and prices”

RESEARCH IN PROGRESS

Trading in Closed-End Funds (with Ekkehart Boehmer and Charles Jones)

TEACHING EXPERIENCE

Instructor, Boot Camp for Incoming Finance PhD Students, Summer 2007

- SAS programming for financial research
- Databases: CRSP, COMPUSTAT, I/B/E/S, ISSM/TAQ, CDA/SPECTRUM, SDC

Instructor, Managerial Finance I (Undergraduate core course)

- Full responsibility for two sections of approximately 35 students each
- Dean's Award for Outstanding Teaching by a Doctoral Student
- Teaching evaluations: Fall 2004, 4.05 / 5.00; Spring 2006, 4.46 / 5.00

Teaching assistant for courses:

- Trading and Markets, Investment Management, Money and Capital Markets

Instructor, Xi'an Foreign Language University, 1997-1999

SPECIAL HONORS AND AWARDS

Post-Doctoral Research Associate, Mays Business School, Texas A&M University, 2007- 2008

This college-level fellowship represents the most competitive type of fifth-year funding at Mays Business School.

Doctoral Student Consortium, Financial Management Association, 2007

Student Travel Award, American Finance Association, 2007

Dean's Award for Outstanding Research by a Doctoral Student, Mays Business School, 2006-2007

Dean's Award for Outstanding Teaching by a Doctoral Student, Mays Business School, 2004-2005

PhD student scholarship, Mays Business School, 2003-2007

Honored graduate, Xi'an Foreign Language University, 1997

PROFESSIONAL SERVICE

Member of Program Committee (Investment Track), 2008 Midwest Finance Association, San Antonio

REFERENCES

Ekkehart Boehmer (Chair)
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PAPER ABSTRACTS

“Short Selling and the Informational Efficiency of Prices”

Whether short sellers promote or hamper the informational efficiency of share prices is highly controversial. Using daily shorting flow data for a large sample of NYSE-listed stocks, this paper presents direct empirical evidence that short sellers enhance the informational efficiency of prices, a key dimension of market quality. Prices of stocks with higher shorting flow more closely track their fundamental values. Furthermore, stocks with heavy shorting incorporate information faster by exhibiting fewer price delays. The efficiency-enhancing effect of shorting is robust to various econometric methodologies and model specifications, and is unlikely due to reverse causality. I further examine shorting in the context of post-earnings announcement drift to better understand how short sellers contribute to efficient pricing. Short sellers appear to exploit the drift by increasing (decreasing) shorting immediately following negative (positive) earnings surprises. This, in turn, accelerates the adjustment of prices to information and attenuates the drift. Overall, results in this study suggest that daily shorting activity promotes the informational efficiency of prices.

“Order flow and prices” (with Ekkehart Boehmer)

We provide new evidence on the relation between order flow and prices, an issue that is central to asset pricing and market microstructure. We examine proprietary data on a broad panel of NYSE-listed stocks that reveal daily order imbalances by institutions, individuals, and market makers. We can further differentiate regular institutional trades from institutional program trades. Our results indicate that order imbalances from different trader types play distinctly different roles in price formation. Institutions and individuals are contrarians with respect to previous-day returns, but differ in the effect their order imbalances have on contemporaneous returns. Institutional imbalances are positively related to contemporaneous returns, and we provide cross-sectional evidence that this relation is likely to be the result of firm-specific information institutions have. Individuals, specialists, and other market makers appear to provide liquidity to these actively trading institutions. Our results also suggest a special role for institutional program trades, which tend to be uninformed and provide liquidity to more aggressively trading institutions. Finally, institutional non-program imbalances (information which is not available to market participants) have predictive power for next-day returns.

“Demutualization and Stock Exchange Performance” (with Ekkehart Boehmer)

Demutualization of stock exchanges, a process of transforming member-owned not-for-profit cooperatives into shareholder-owned for-profit corporations, is one of the most recent trends in the exchange industry around the world. Using panel data on 132 major stock exchanges in 114 countries from 1990 to 2003, we examine the effect of demutualization on an exchange’s performance in its primary product markets: trading and listings. We document some evidence that demutualization is associated with improved competitiveness in attracting trading volume. Results on listings following demutualization are weak.

“Commercial bank participations in leveraged buyouts: some evidence on wealth effects and wealth transfers” (with Ekkehart Boehmer)

We provide evidence consistent with wealth losses by banks that provide LBO financing, but they can explain only a small fraction of gains to LBO shareholders. On the day a bank announces an LBO loan, its market value of equity declines by over \$10 million or 1.4% of the average LBO premium. We examine the cross-sectional variation in the announcement returns of lending banks. First-time lenders and loans with high front-end fees show the worst stock-price performance. Both bank losses and wealth transfers are substantially higher for LBOs made by first-time lenders and in the early 1980s.