

XINGYU (SONYA) ZHU

Placement officers

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RESEARCH INTERESTS

Asset Pricing, Market Microstructure, Big Data

EDUCATION

2015–	PhD in Finance Stockholm School of Economics, Sweden
2013–2015	M.A. in Economics Simon Fraser University, Canada
2009–2013	B.Sc. in Mathematics Wuhan University, China
2009–2013	B.A. in Economics Wuhan University, China

WORKING PAPERS

Volume dynamics around FOMC announcements

(job market paper)

Abstract: The stock market volume decreases in anticipation of FOMC announcements and increases afterward. I find, in the cross-section, that stocks with higher market risk exposure experience greater volume changes. I also find that volume dynamics around FOMC announcements are unlikely to be attributable to the change in volatility. Instead, they reveal strategic liquidity trading resulting from the presence of private information. I set up a model that guides my investigation of the information environment in the stock market around FOMC announcements. Consistent with the model's implication, volume dynamics are accompanied by changes in information environment. I find that the price impact of trading among high-beta stocks increases ahead of FOMC announcements. In contrast, the change in price impact among low-beta stocks is insignificant.

Inflation compensation and monetary policy

(with Vasilis Dedes)

Abstract: We examine the transmission mechanism of monetary policy to inflation markets. We decompose monetary policy shocks in the United States into two orthogonal channels: the policy channel, measured by the change in 2-year nominal Treasury yield, and the communication channel, measured by the orthogonal change in 10-year nominal Treasury yield. We find that the conventional monetary policy affects long-term market-based inflation compensation through the communication channel, while the unconventional monetary policy affects short-term market-based inflation compensation through the policy channel. Our analysis also indicates that an announcement of quantitative easing corrects the short-term mispricing between the two inflation compensation measures, but amplifies long-term mispricing.

Nowcast innovation capability

Abstract: Firms may encounter various uncertainties in the process of innovation, which can crucially affect the outcome of innovation. Some firms have better abilities to foresee and manage these uncertainties. I refer to the ability of firms to manage innovation uncertainties as innovation capability. By implementing a novel supervised machine learning algorithm, this paper quantifies firms' innovation capability by earnings call transcripts. I find that the annual return of a long-short portfolio based on firms' innovation capability is 12.18%. This evidence implies that firms' innovation capability is undervalued by the market, even though such information is publicly available.

WORK IN PROGRESS

Analysts and Coronavirus: home bias or better information processing?

(with Riccardo Sabbatucci)

ACADEMIC PRESENTATIONS

2020	Young Scholars Nordic Finance Workshop (scheduled), AFBC (scheduled), WFBS (scheduled), PhD Nordic Finance Workshop, Stockholm School of Economics
2019	National PhD Workshop in Finance, Stockholm School of Economics
2018	Stockholm School of Economics

HONORS AND GRANTS

2019	Infina Foundation PhD scholarship
2017–2020	Swedish Bank Research Foundation research grant
2015–2016	Stockholm School of Economics PhD Stipend
2014	Doreen Wilkinson Memorial Graduate Scholarship in Economics, Simon Fraser University
2013–2014	Graduate Fellowship, Simon Fraser University

TEACHING EXPERIENCE

2018–2020	Applied Financial Econometrics (Master, SSE) Lecturer: Prof. Riccardo Sabbatucci
2017	Derivatives in Investment Management (Bachelor, SSE) Lecturer: Prof. Irina Zviadadze
2016, 2020	Corporate Finance (Master, SSE) Lecturer: Prof. Bo Becker

NON ACADEMIC ACTIVITIES

Organizer:	Female Economist Network of Stockholm and Uppsala, 2017
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COMPUTER SKILLS

Python, R, Slurm, SQL, Matlab, Stata, SAS

PERSONAL INFORMATION

Born	1990/06
Gender	Female
Citizenship	China, Swedish permanent resident
Languages	Chinese (native), English (fluent)

References

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