



# UNSW Business School Institute of Global Finance

Never Stand Still

Australian School of Business

Banking and Finance

## **ANNUAL ACTIVITIES 2016**

**ANNUAL Report 2016**

**INSTITUTE OF GLOBAL FINANCE**

**UNSW Business School**

**University of New South Wales  
Sydney NSW 2052 Australia**

### **3. Research Activities**

#### **3.1 Joint research with NYU: Systemic Risk and Global Financial Stability**

The IGF continued the longstanding relationship with the Volatility Institute at NYU. PwC and Finsia have been important partners in this collaborative work that produces increasingly sophisticated data and advanced technology for measuring and quantifying systemic risk in banking, and communicating output in the form of live data that is accessible to industry professionals and scholars.

#### **3.2 Connection with the Finance Industry and Financial Regulators**

The IGF has maintained a close relationship with a number of prominent professional and regulatory organisations.

##### **3.2.1 The Asian Development Bank: Collaborative work on Global Prosperity**

The IGF and ADB continued working in partnership throughout 2016, building on the relationship developed over previous years. As an increasingly influential presence within the domestic and global economy, Asia is an essential site of engagement for the IGF, making its partnership with the Asian Development Bank a core component of the IGFs vision for global prosperity.

#### **Conference on Systematic Risk, Interconnectedness & Financial Cycles**

The International Conference on Systemic Risk, Interconnectedness, Financial Cycles and Policy Options for Resilience, in Sydney, Australia on 8-9 September 2016. This two-day international conference was organised by the Institute of Global Finance (IGF) of the University of New South Wales (UNSW), and the Asian Development Bank (ADB), in collaboration with the Reserve Bank of Australia, and Boomerang. Speeches were given by Mr Bambang Sustono, Vice President of the ADB, and Nobel Laureate Prof Robert Engle, NYU. Furthermore, Dr Philip Lowe, the Governor of the Reserve Bank of Australia and a number of Finance and Deputy Finance Ministers, central bankers from various Asian countries such as Japan, Korea, Indonesia and Philippines were amongst the keynote speakers of this conference. In addition, Professor Viral Acharya, Deputy Governor of the Reserve Bank of India and NYU, Stijn Claessens from the US Federal Reserve and senior officials from the Bank for International Settlements (BIS) and the World Bank were also keynote speakers of this conference.

##### **3.2.2 PwC and Finsia**

The IGF maintained a close working relationship with PwC and Finsia during 2015. This included collaboration with the V-Lab at NYU to produce information on systemic risk, providing invaluable research output for industry and regulators over time. PwC, Finsia and the IGF continued work under their joint ARC Linkage grant on global and regional systemic risk, and PwC and Finsia were important sponsors throughout much of the activity of the IGF.

##### **3.2.3 The World Bank Global Business Partnership**

The IGF strengthened the relationship with the World Bank during 2016, collaborating on an international business forum and the launch of two major World Bank reports:

### ***International Business Forum: National and Global Financial Issues***

An International Business Forum on Global and Regional Financial Stability was held as part of the 29<sup>th</sup> Australasian Finance and Banking Conference, in conjunction with Dr. Augusto López-Claros, Director of the World Bank Global Indicators Group. The Honourable Scott Morrison MP, Treasurer of the Commonwealth of Australia was the keynote speaker on National and Global Financial Issues.

### ***Doing Business 2017: Equal Opportunity for All***

In December 2016, Dr. Augusto López-Claros, Director of the World Bank Global Indicators Group, launched the World Bank report *Doing Business 2017: Equal Opportunity for All* to an audience of scholars and professional practitioners. *Doing Business* is a project of global significance that delivers quantified, comparable measures of business opportunities, forces of interdependence, and social, financial and economic factors that influence business in 189 economies throughout the world.

## **3.3 Partnerships with Leading International Scholars**

The IGF forged new relationships with preeminent international academics and continued to build upon existing relationships. This resulted in the following interviews being conducted by the Director of the IGF:

### ***3.3.1 Women, Business and the Law: Interview with Augusto López-Claros***

Professor Moshirian interviews Dr Augusto López-Claros on aspects of the World Bank Report: Women, Business and Law.

## **4. Research output**

### **4.1 IGF Research Paper Series (Refereed Articles)**

The following papers were published in the Institute of Global Finance Research Paper Series (vol. 3, no. 1, December 2016). This was distributed to an extensive recipient list via the Social Science Research Network.

Cerutti, E., Claessens, S., Puy, D.. ‘Push Factors and Capital Flows to Emerging Markets: Why Knowing Your Lender Matters More than Fundamentals’.

Londono, J. M. ‘Bad Bad Contagion’.

Choi, W., Lee, B., Kang, T., Kim, G. ‘Divergent EME Responses to Global and Domestic Monetary Policy Shocks’

Hui, C. H., Lo, C., Chau, P. ‘Exchange Rate Dynamics and US Dollar-Denominated Sovereign Bond Prices in Emerging Markets’

### **4.2 Research Output (Refereed Articles) of IGF Associates**

Selected publications of IGF associates in 2016 are listed as follows:

Acharya, V.V., Gündüz, Y. and Johnson, T.C., 2016. ‘Bank Use of Sovereign CDS in the Eurozone Crisis: Hedging and Risk Incentives.’

Acharya, V.V., Mehran, H. and Sundaram, R.K., 2016. ‘Cash Holdings and Bank Compensation’, *Economic Policy Review*, Issue Aug, pp. 77-83.

- Acharya, V.V., Almeida, H., Ippolito, F. and Perez-Orive, A., 2016. 'A New Perspective on Bank-Dependency: The Liquidity Insurance Channel.'
- Acharya V.V., Pierret, D. and Sascha, S., 2016. 'Lender of Last Resort versus Buyer of Last Resort – Evidence from the European Sovereign Debt Crisis', *Centre for European Economic Research*.
- Acharya V.V., Eisert, T., Eufinger, C. and Hirsch, C.W., 2016. 'Whatever it Takes: The Real Effects of Unconventional Monetary Policy.'
- Acharya V.V. and Ryan, S. G., 2016. 'Banks' Financial Reporting and Financial System Stability', *Journal of Accounting Research*.
- Bekaert, G., Harvey, C. R., Kiguel, A. and Wang, X. S., 2016. 'Globalisation and Asset Returns', *Annual Review of Financial Economics*, vol. 8, pp. 221-288.
- Berger, A. N., Kick, T. K. and Schaek, K., 2016. 'Executive Board Composition and Bank Risk Taking', *Bundesbank Discussion Paper*.
- Borio, C. E.V., McCauley, R. N., McGuire, P. and Sushko, V., 2016. 'Covered Interest Parity Lost: Understanding the Cross-Currency Basis', *BIS Quarterly Review September 2016*.
- Cerutti, E., Claessens, S. and Laeven, L., 2016. 'The Use and Effectiveness of Macroprudential Policies', *BIS Paper No. 86n*.
- Demirgüç-Kunt, A., Horvath, B. L., Huizinga, H., 2016. 'How Does Long-Term Finance Affect Economic Volatility?', *CentER Discussion Paper Series no. 2016-005*, *European Banking Center Discussion Paper Series no. 2016-002*.
- Costin, O., Gordy, M.B., Huang, M., and Szerszen, P. J., 2016. 'Expectations of Functions of Stochastic Time with Application to Credit Risk Modeling', *Mathematical Finance*, vol. 26, no. 4, pp. 748-784.
- Bilina-Falafala, R., Jarrow, R. A., Protter, P., 2016. 'Relative Asset Price Bubbles', *Annals of Finance* 12.2, pp 135-160.
- Jarrow, R. A., 2016. 'Bubbles and Multiple-factor Asset Pricing Model', *International Journal of Theoretical and Applied Finance* 19.1: 19 pages.
- Jarrow, R. A., 2016. 'Asset Price Bubbles and the Land of Oz', *Journal of Portfolio Management* 42.2, pp 37-42.
- Karolyi, A., 2016. 'The Gravity of Culture for Finance', *Journal of Corporate Finance* 41, pp 610-625.
- Karolyi, A., 2016. 'Home Bias, an Academic Puzzle', *Review of Finance* 20.6, pp 2049-2078.
- Bordalo, P., Coffman, K., Gennaioli, N., and Shleifer, A., 2016. 'Stereotypes', *Quarterly Journal of Economics* 131 (4), pp 1753-1794.
- Bordalo, P., Gennaioli, N., and Shleifer, A., 2016. "Competition for Attention." *Review of Economic Studies* 83 (2), pp 481-513

Gennaioli, N., Ma, Y. and Shleifer, A., 2016. 'Expectations and Investment', *NBER Macroeconomics Annual*, vol. 30, pp 379-442.

### **4.3 Research Output (Refereed Articles) of IGF Research Associates: UNSW School of Banking and Finance)**

Selected publications of IGF associates from UNSW School of Banking and Finance in 2016 are listed as follows:

Humphery-Jenner, M., Lisic, L.L., Nanda, V., Silveri, S.D., 2016, 'Executive overconfidence and compensation structure' *Journal of Financial Economics*, vol. 119, pp. 533 – 558

Swan, P.L., 2016, 'Mandated divorce: Company boards, incentives and performance' *Law and Financial Markets Review*, vol. 10, pp. 133 – 138

Beaumont, S., Ratiu, R., Reeb, D., Boyle, G., Brown, P., Szimayer, A., da Silva Rosa, R., Hillier, D., McColgan, P., Tsekeris, A., 2016, 'Comments on Shan and Walter: 'Towards a Set of Design Principles for Executive Compensation Contracts'' *Abacus*, vol. 52, pp. 685 – 771

Swan, P.L., 2016, 'Comments on Shan and Walter: Towards a set of design principles' *Abacus: a journal of accounting, finance and business studies*, vol. 52

Ng, L., Wu, F., Yu, J., Zhang, B., 2016, 'Foreign Investor Heterogeneity and Stock Liquidity around the World' *Review of Finance*, vol. 20, pp. 1867 – 1910

Zhang, L., Kang, J., Liu, W., Yi, S., 2015, 'Monitoring role of customer firms in suppliers and its effect on supplier value: Evidence from block acquisitions of suppliers by customer firms' *Journal of Financial Intermediation*, vol. 24, pp. 537 - 563

### **4.4 Refereed Conference Papers Publications**

Over 150 research papers were published as part of the 29<sup>th</sup> Australasian Finance and Banking conference. The conference was held in December 2016 in Sydney with the participation of over 300 people from more than 30 countries. See Appendix I for the full conference proceedings.

### **4.5 Working Papers on Global Governance and Global Financial Stability**

Working papers of IGF associates posted to SSRN during 2016 include:

Acharya, V. V., Eisert, T., Eufinger, C., Hirsch, C. W., 2016 'Whatever it Takes: The Real Effects of Unconventional Monetary Policy', SAFE Working Paper No. 153, New York University - Leonard N. Stern School of Business, Erasmus University Rotterdam (EUR), IESE Business School and University of Frankfurt

Bekaert, G., Engstrom, E. and Ermolov, E., 2016 'Macro Risks and the Term Structure of Interest Rates', NBER Working Paper no. w22839, Columbia Business School - Finance and Economics, U.S. Board of Governors of the Federal Reserve System - Division of Research and Statistics, Capital Markets and Gabelli School of Business, Fordham University

Berger, A. N., Klapper, L. F., Turk, R., 2016 'Bank Competition and Financial Stability' World Bank Policy Research Working Paper no. 4969, University of South Carolina - Darla Moore School of Business, World Bank and International Monetary Fund

Berger, A. N., Klapper, L. F., Martinez Peria, M. S., Zaidi, R., 2016 'Bank Ownership Type and Banking Relationships', World Bank Policy Research Working Paper No. 3862, University of South Carolina - Darla Moore School of Business, World Bank and International Monetary Fund

Brennan, M. J., Huh, S., Subrahmanyam, A., 2016 'High-Frequency Measures of Informed Trading and Corporate Announcements', Institute of Global Finance Working Paper no. 2, University of California, Los Angeles (UCLA) - Finance Area, State University of New York (SUNY) - Department of Finance and University of California, Los Angeles (UCLA) - Finance Area

Engle, R. F., Ledoit, O., Wolf, M., 2016 'Large Dynamic Covariance Matrices' University of Zurich, Department of Economics, Working Paper No. 231, Revised version, New York University - Leonard N. Stern School of Business - Department of Economics, University of Zurich - Department of Economics and University of Zurich - Department of Economics

Carey, M., Gordy, M.B., 2016 'The Bank as Grim Reaper: Debt Composition and Bankruptcy Thresholds', FEDS Working Paper No. 2016-069, Board of Governors of the Federal Reserve - Division of International Finance (IFDP) - International Banking Section and Board of Governors of the Federal Reserve

Hong, H. G., Li, F.W., Xu, J., 2016 'Climate Risks and Market Efficiency', NBER Working Paper No. w22890, Columbia University, Graduate School of Arts and Sciences, Department of Economics, Singapore Management University - Lee Kong Chian School of Business and Department of Finance, Guanghua School of Management, Peking University

Karolyi, G. A., Ng, D. T., Prasad, E. S., 2016, 'The Coming Wave: Where Do Emerging Market Investors Put Their Money?', HKIMR Working Paper No.04/2016, Cornell University - Johnson Graduate School of Management, Cornell University and Cornell University - Dyson School of Applied Economics and Management

Lervine, A., Ooi, Y. H., Richardson, M. P., 2016 'Commodities for the Long Run', NBER Working Paper No. w22793, AQR Capital Management, AQR Capital Management, LLC and New York University (NYU) - Department of Finance

Boudoukh, J., Brooks, J., Richardson, M. P., Xu, Z., 2016 'The Complexity of Liquidity: The Extraordinary Case of Sovereign Bonds', NBER Working Paper No. w22576, Interdisciplinary Center (IDC) Herzliyah - Adelson School of Entrepreneurship, AQR Capital Management, LLC, New York University (NYU) - Department of Finance and AQR Capital Management, LLC

Saunders, A., Wilson, B. K., 2016 'Contingent Liability in Banking: Useful Policy for Developing Countries?', World Bank Policy Research Working Paper No. 1538, New York University - Leonard N. Stern School of Business and Pace University - Department of Finance and Economics

Glaeser, E. L., Huang, W., Ma, Y., Shleifer, A., 2016 'A Real Estate Boom with Chinese Characteristics', NBER Working Paper No. w22789, Harvard University - John F. Kennedy School of Government, Department of Economics, Harvard University - Department of Economics, Harvard University and Harvard University - Department of Economics

Glaeser, E. L., Ponzetto, G. A. M., Shleifer, A., 2016 'Securing Property Rights', NBER Working Paper No. w22701, Harvard University - John F. Kennedy School of Government, Department of Economics, CREI - Universitat Pompeu Fabra and Harvard University - Department of Economics

Bordalo, P., Gennaioli, N., Shleifer, A., 2016 ‘Diagnostic Expectations and Credit Cycles’, NBER Working Paper No. w22266, University of London, Royal Holloway College - Department of Economics, Bocconi University - Department of Finance and Harvard University - Department of Economics

Barberis, N., Greenwood, R. M., Jin, L. J., Shleifer, A., 2016 ‘Extrapolation and Bubbles’, NBER Working Paper No. w21944, Yale School of Management, Harvard Business School - Finance Unit, California Institute of Technology and Harvard University - Department of Economics

Hanselaar, R., Stulz, R. M., Van Dijk, M. A., 2016 ‘Do Firms Issue More Equity When Markets Become More Liquid?’, Fisher College of Business Working Paper No. 2016-03-024, Charles A Dice Center Working Paper No. 2016-24, Erasmus University Rotterdam (EUR), Ohio State University (OSU) - Department of Finance and Erasmus University - Rotterdam School of Management

Kahle, K. M., Stulz, R. M., 2016 ‘Is the U.S. Corporation in Trouble?’, Fisher College of Business Working Paper No. 2016-03-23, European Corporate Governance Institute (ECGI) - Finance Working Paper No. 495/2017, Charles A Dice Center Working Paper No. 2016-23, University of Arizona - Department of Finance and Ohio State University (OSU) - Department of Finance

DeAngelo, H., Gonçalves, A. S., Stulz, R. M., 2016 ‘Corporate Deleveraging’, Fisher College of Business Working Paper No. 2016-03-021, Charles A. Dice Center Working Paper No. 2016-21, NBER Working Paper No. w22828, University of Southern California - Marshall School of Business - Finance and Business Economics Department, Ohio State University (OSU), Fisher College of Business, Department of Finance and Ohio State University (OSU) - Department of Finance

Lee, D. W., Shin, H., Stulz, R. M., 2016 ‘Why Does Capital No Longer Flow More to the Industries with the Best Growth Opportunities?’, Fisher College of Business Working Paper No. 2016-03-15, Charles A. Dice Center Working Paper No. 2016-15, Korea University Business School, Yonsei University and Ohio State University (OSU) - Department of Finance

Bartram, S. M., Brown, G. W., Stulz, R. M., 2016 ‘Why Does Idiosyncratic Risk increase with Market Risk?’, Charles A. Dice Center Working Paper No. 2016-13, Fisher College of Business Working Paper No. 2016-03-13, CFS Working Paper No. 533, NBER Working Paper No. w22492, Warwick Business School - Department of Finance, University of North Carolina (UNC) at Chapel Hill - Finance Area and Ohio State University (OSU) - Department of Finance

Fahlenbrach, R., Prilmeier, R., Stulz, R. M., 2016 ‘Why Does Fast Loan Growth Predict Poor Performance for Banks?’, Charles A. Dice Center Working Paper No. 2016-7, Fisher College of Business Working Paper No. 2016-03-07, Swiss Finance Institute Research Paper No. 16-24, NBER Working Paper No. w22089, Ecole Polytechnique Fédérale de Lausanne, Tulane University - A.B. Freeman School of Business and Ohio State University (OSU) - Department of Finance

Wei, S., Xie, Z., Zhang, X., 2016 ‘From “Made in China” to “Innovated in China”’: Necessity, Prospect and Challenges’, NBER Working Paper No. w22854, Columbia Business School - Finance and Economics, Peking University and International Food Policy Research Institute (IFPRI)

Han, X., Wei, S., 2016 ‘International Transmissions of Monetary Shocks: Between a Trilemma and a Dilemma’, NBER Working Paper No. w22812, Asian Development Bank and Columbia Business School - Finance and Economics



Desbordes, R., Wei, S., 2016 'Credit Conditions and Foreign Direct Investment During the Global Financial Crisis, World Bank Policy Research Working Paper No. 7063, University of Strathclyde - Strathclyde Business School and Columbia Business School - Finance and Economics

Desbordes, R., Wei, S., 2016 'The Effects of Financial Development on Foreign Direct Investment', World Bank Policy Research Working Paper No. 7065, NBER Working Paper No. w23309, University of Strathclyde - Strathclyde Business School and Columbia Business School - Finance and Economics

#### **4.6 Policy Contributions Published in International and Domestic Media**

During 2016, the Director and Associates of the IGF contributed to numerous news media items nationally and internationally, including the following:

'IMF Wants a Positive Resolution for Greece', CNBC, 14 April 2016. <http://video.cnb.com/gallery/?video=3000506682>.

'How Effective are the ECB's Policies', CNBC, 22 April 2016. <http://video.cnb.com/gallery/?video=3000511643>.

'The G7 Summit', CNBC, 23 May 2016. <http://video.cnb.com/gallery/?video=3000520020>.

'The Brexit Outcome', CNBC, 21 June 2016. <http://video.cnb.com/gallery/?video=3000526600>

'The Brexit Effects', CNBC, 02 July 2016. <http://video.cnb.com/gallery/?video=3000529978>

'Brexit Fallout', Bloomberg, 02 July 2016. <http://www.bloomberg.com/news/videos/2016-06-30/brexit-fallout-what-s-ahead-for-the-eu>

'Issues, Challenges and Opportunities Facing Europe', CNBC, 08 August 2016. <http://video.cnb.com/gallery/?video=3000536604>

'The Urge for the Unity of the European Union', CNBC, 19 September 2016. <http://video.cnb.com/gallery/?video=3000551136&play=1>

'The UK Budget which Reflects Cost of Brexit', CNBC, 30 November 2016. <http://video.cnb.com/gallery/?video=3000570675>.

'World Bank report showing minimal growth in developed countries under TPP expected', Business News – China Daily, 12 January 2016. [http://www.chinadaily.com.cn/bizchina/2016-01/12/content\\_23049513.htm](http://www.chinadaily.com.cn/bizchina/2016-01/12/content_23049513.htm)

'News Analysis: World Bank report showing minimal growth in developed countries under TPP expected', East Day, 12 January 2016. <http://english.eastday.com/auto/n917359/u1ai8530331.html>

'No foreign bank exodus expected (pdf)', Jassa Issues – Finsia, 9 February 2016. <http://www.investor.com.tw/onlineNews/NewsContent.asp?articleNo=14201601130107>

'Mining, energy firms in trouble as oil price slides; fears of bankruptcies unless commodity recovers', ABC Radio Australia News, 22 February 2016. <http://www.radioaustralia.net.au/international/2016-02-22/mining-energy-firms-in-trouble-as-oil-price-slides-fears-of-bankruptcies-unless-commodity-recovers/1550906>

'Fuel Price Hits A 12-Year Low, Here's Why Petrol Is So Cheap Right Now', The Huffington Post Australia, 24 February 2016. [http://www.huffingtonpost.com.au/2016/02/24/petrol-price-oil-australia\\_n\\_9310082.html?utm\\_hp\\_ref=australia&ir=Australia](http://www.huffingtonpost.com.au/2016/02/24/petrol-price-oil-australia_n_9310082.html?utm_hp_ref=australia&ir=Australia)

'Inaugural awards attract high-profile judges', Sterling Publishing, 4 March 2016, <http://www.sterlingpublishing.com.au/2016/03/04/inaugural-awards-attract-high-profile-judges/>

- ‘More PhDs are leaving academia to launch their own businesses’, The Globe and Mail, 19 April 2016, <http://www.theglobeandmail.com/report-on-business/small-business/startups/more-phds-are-leaving-academia-to-launch-their-own-businesses/article29587908/?page=all>
- ‘Financial Market Equilibrium When Stock Ownership Is a Consumption Good’, ValueWalk, 28 April 2016, <http://www.valuwalk.com/2016/04/financial-market-equilibrium-stock-ownership-consumption-good/>
- ‘News Analysis: Political interference risks undermining Asia's growth potential’, China.org.cn, 6 May 2016, [http://www.china.org.cn/world/Off\\_the\\_Wire/2016-05/06/content\\_38399865.htm](http://www.china.org.cn/world/Off_the_Wire/2016-05/06/content_38399865.htm)
- ‘Academic: Expect tough Greece debt negotiations’, Yahoo Finance, 24 May 2016, <https://ca.finance.yahoo.com/video/academic-expect-tough-greece-debt-230000234.html>
- ‘G20 summit was a success and at the same time you should be very cautious when someone says the global economy is looking like what we have witnessed with the collapse of the Lehmann Brothers’, Sky Business, 30 May 2016
- ‘Australian Law Awards judges revealed’, Lawyers Weekly, 14 July 2016.
- ‘Europe faces a 'nationalism vs globalism' issue: Academic’, Yahoo! Finance, 22 July 2016.
- ‘Big banks have once again returned to the political firing line over their decision not to pass on this week's RBA rate cut in full to borrowers.’, ABC Radio National, 5 August 2016.
- ‘Interest rates: Depositors miss out on interest rise with most using savings, transaction accounts’, ABC.net.au, 5 August 2016, <http://readnow.isentia.com/articlepresenter.aspx?guid=31926fcb-a2e7-4b99-99ae-53ffbe7308af&serid=82746&ArticleID=653924925&output=txt&serid=82746>
- ‘Dollar steady as investors await more data’, AAP Newswire, 8 September 2016, <http://www.afr.com/markets/rba-deputy-governor-philip-lowe-says-supervision-is-as-important-as-reform-20160907-grbcc3>
- ‘RBA deputy governor Philip Lowe says supervision is as important as reform’, Australian Financial Review, 8 September 2016, [http://www.theaustralian.com.au/subscribe/news/1/index.html?sourceCode=TAWEB\\_WRE\\_170\\_a&mode=premium&dest=&nk=536f5ac07acae4e562e9e83e95280005-1498104344](http://www.theaustralian.com.au/subscribe/news/1/index.html?sourceCode=TAWEB_WRE_170_a&mode=premium&dest=&nk=536f5ac07acae4e562e9e83e95280005-1498104344)
- ‘DIARY-Top Economic Events to Sept. 20’, Reuters.com, 8 September 2016, <http://www.investordaily.com.au/regulation/40036-contagion-risk-still-remains-says-rba>
- ‘Global capital shortfall approaching \$4tn’, investordaily.com.au, 12 September 2016, <http://www.mortgagebusiness.com.au/breaking-news/10268-contagion-risk-still-remains-says-rba>
- ‘Jean-Claude Juncker is calling for unity’, CNBC, 15 September 2016, <http://video.cnbc.com/gallery/?video=3000551136>
- ‘Innovation Minister Hunt promises CSIRO money for blue sky research, Campus Morning Mail, 19 September 2016, <http://campusmorningmail.com.au/innovation-minister-hunt-promises-csiro-money-for-blue-sky-research/>
- ‘Economic apartheid thriving in Rowhani's minority-hating Iran’. The Australian, 21 September 2016, <http://readnow.isentia.com/articlepresenter.aspx?guid=231d03ab-7cc6-4764-b87c-61f61bd55161&serid=82746&ArticleID=660351270&output=txt&serid=82746>
- ‘News Analysis: Peru APEC is opportunity to fight against protectionism’, China Gate, 18 November 2016, [http://en.chinagate.cn/2016-11/18/content\\_39736061.htm](http://en.chinagate.cn/2016-11/18/content_39736061.htm)
- ‘Spotlight: Australia-China economic ties seen as major part of trade, investment in region, beyond’, China.org, 21 November 2016, [http://www.china.org.cn/world/Off\\_the\\_Wire/2016-11/21/content\\_39753427.htm](http://www.china.org.cn/world/Off_the_Wire/2016-11/21/content_39753427.htm)

‘Interview: Australia set for major economic developments in year ahead’, China.org, 7 December 2016, [http://www.china.org.cn/world/Off\\_the\\_Wire/2016-12/07/content\\_39867642.htm](http://www.china.org.cn/world/Off_the_Wire/2016-12/07/content_39867642.htm)

‘Live cross to press conference with Scott Morrison, Federal Treasurer in Sydney’, Sky News, 14 December 2016, [http://www.mediaportal.com/mp/media-outlet\\_nochrome.aspx?bcid=977&mo=Sky%20Business%20News](http://www.mediaportal.com/mp/media-outlet_nochrome.aspx?bcid=977&mo=Sky%20Business%20News)

## **5. Conferences**

### **5.1 Conference on Policy Issues**

#### **5.1.1 Conference on Systemic Risk, Interconnectedness and Financial Cycles**

The International Conference on Systemic Risk, Interconnectedness, Financial Cycles and Policy Options for Resilience, in Sydney, Australia on 8-9 September 2016. This two-day international conference was organised by the Institute of Global Finance and the Asian Development Bank (ADB). Eminent scholars and policy makers from Asia, the US and Europe including Senior Representatives from the IMF, the BIS and the ADB attended this conference. A number of high level senior officials at the Ministerial, Central Bank and senior regulator levels from China, Indonesia, Japan and South Korea were amongst the keynote speakers, who included Prof. Robert Engle, Prof. Stijn Claessens, Prof. Viral Acharya and Dr Philip Lowe.

### **5.2 29th Australasian Finance and Banking Conference**

The 29<sup>th</sup> Australasian Finance and Banking Conference was held on 14-16 December 2016 at the Shangri-La Hotel, Sydney. This conference was organized by the Institute of Global Finance and School of Banking and Finance UNSW. The conference was sponsored by Australian Stock Exchange, BlackRock, Bureau Van Dijk, PwC, Reserve Bank of Australia, Sirca, Sterling Publishing and Sydney Business Chamber. The AFBC has become the most prestigious finance conference in the Asia-Pacific region. It is a gathering of unprecedented size with some 300 delegates from 220 institutions and firms, representing over 30 countries. The world’s foremost leaders of thought from the financial community met and shared their research and interest in finance-related fields. Six categories of prizes were awarded, and a total of 225 papers were presented. See Appendix I for the conference proceedings. The conference also engaged with the finance industry and policy makers by hosting a major international business forum and launching two World Bank reports. The conference additionally offered a PhD Forum on 13 December where eight PhD students from top international business schools presented their work and received comments from eminent scholars.

#### **Keynote speakers included:**

Professor Tarun Chordia, Emory University  
Professor Alexander Ljungqvist, New York University  
Dr. Augusto López-Claros, World Bank  
Avanidhar Subrahmanyam, UCLA

#### **5.2.1 Special Conference Events**

The conference included two special events that attracted members of the professional community:

### ***International Business Forum: Global Financial Issues***

The Honourable Scott Morrison MP, Treasurer of the Commonwealth of Australia spoke on national and global financial issues. Next, Dr. Augusto López-Claros launched the World Bank Report Doing Business 2017, discussing the report's findings and global interdependent forces that are influencing the direction of the international economy in the post global financial crisis era.

### **5.2.2 Keynote Addresses**

In addition to the presentations delivered at the special events, the conference included four keynote addresses by international academics who hold prestigious positions in the international scholarly community.

#### ***Low Latency Trading on Macroeconomic Announcements***

Professor Tarun Chordia, Emory University

#### ***State Capitalism vs. Private Enterprise***

Professor Alexander Ljungqvist, New York University

#### ***Launch of the World Bank Report, Doing Business 2017***

Dr. Augusto López-Claros, World Bank

#### ***Are Stocks Held Only for Wealth Accumulation?***

Avanidhar Subrahmanyam, UCLA

### **5.3 PhD Forum**

As part of the 29<sup>th</sup> Australasian Finance and Banking Conference, the PhD Forum for advanced Finance Doctoral Students was held at the Shangri-La Hotel, Sydney, on 13 December 2016. The one-day forum was organised by the Institute of Global Finance and the School of Banking and Finance, UNSW Business School. Eight papers were selected for presentation from 120 submissions. The papers presented by the PhD candidates were discussed by distinguished members of the finance profession. All presenters were from leading business schools in the US, Europe and Australasia. This Forum is becoming one of the most competitive and well-known PhD fora in finance in the world. The details of the panel discussion and the eight presented papers are as follows:

#### ***Asset Prices, Local Prospects and the Geography of Housing Dynamics***

Preetesh Kankar, University of North Carolina at Chapel Hill

*Discussant: Aurel Hizmo, New York University*

#### ***Capital Immobility, Recovery Rate Dynamics, and Financial Contagion***

Hyunsoo Doh, University of Chicago

*Discussant: Stephen Schaefer, London Business School*

#### ***Institutional Investors and Cross-Border Mergers and Acquisitions: the 2000- 2012 Period***

Jinsuk Yang, University of Texas at Arlington

*Discussant: Peter Pham, University of New South Wales*

***Relationship Lending in Shadow Banking: Impact of Financial Firms' Cross Holding Relation in Money Market Funds***

Ai He, Emory University

*Discussant: Raunaq Pungaliya, Sungkyunkwan University*

***Days to Cover and Stock Returns***

Frank Weikai Li, Hong Kong University of Science and Technology

*Discussant: Tarun Chordia, Emory University*

***Synthetic Shorting with ETFs***

Qifei Zhu, University of Texas at Austin

*Discussant: Alexander Ljungqvist, New York University*

***Why Do Distressed Firms Acquire?***

Quxian Zhang, Erasmus University

*Discussant: Buhui Qui, University of Sydney*

***A Model-Free Tail Index and Its Return Predictability***

Jinji Hao, Washington University in St. Louis

*Discussant: Paul Karehnke, University of New South Wales*

## **6. Research Grants and other Sources of Funding**

### **6.1 Australian Research Grant**

ARC Linkage with PwC, Finsia and the NYU Volatility Institute has continued during 2016.



# UNSW Business School Institute of Global Finance

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Banking and Finance

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