



UNSW Business School Institute of Global Finance

Never Stand Still

Australian School of Business

Banking and Finance

ANNUAL REPORT 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 Boomborg. 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 29th 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 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

Masulis, R.W., C. Wang, F. Xie, 2016, 'Employee-manager alliances and shareholder returns from acquisitions', *Journal of Financial and Quantitative Analysis*, pp. 1-92

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., 2016, '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

4.3 Refereed Conference Papers Publications by the IGF

Over 150 research papers were published as part of the 29th 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.

4.4 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.

4.5 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 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,

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.cnbccom/gallery/?video=3000506682>.
- 'How Effective are the ECB's Policies', CNBC, 22 April 2016. <http://video.cnbccom/gallery/?video=3000511643>.
- 'The G7 Summit', CNBC, 23 May 2016. <http://video.cnbccom/gallery/?video=3000520020>.
- 'The Brexit Outcome', CNBC, 21 June 2016. <http://video.cnbccom/gallery/?video=3000526600>
- 'The Brexit Effects', CNBC, 02 July 2016. <http://video.cnbccom/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.cnbccom/gallery/?video=3000536604>
- 'The Urge for the Unity of the European Union', CNBC, 19 September 2016. <http://video.cnbccom/gallery/?video=3000551136&play=1>
- 'The UK Budget which Reflects Cost of Brexit', CNBC, 30 November 2016. <http://video.cnbccom/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
- '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
- '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
- ‘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-a2e7-4b99-99ac-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
- ‘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
- ‘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
- ‘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
- ‘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

4.7 Engagement with the Banking Sector

Australian Lending Award and Australian Broker Award

The IGF has developed a reputation as a key institution dealing with banks and other financial institutions, that produces excellent research with a high degree of integrity. Accordingly, the RFI (a global provider of business intelligence operating in 25 countries) and the Adviser Magazine, (the best business magazine of the year) again invited the Director of the IGF to serve as a panel member, along with a few other members from the banking industry to interview more than twenty banks, brokerage firms and large Real Estate representatives in order to determine the prizes for the following categories for 2016:

- I Best innovator of the year (individual)
- II Innovator of the year (company)
- III Investment adviser of the year
- IV Best industry thought leader
- V Best bank of the year
- VI Best home lender
- VII Best wholesale lender
- VIII Best customer experience
- IX Best innovator, best mutual
- X Best wholesale lender
- XI Best home loan lender
- XII Best customer marketing
- XIII Best broker of the year

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 29th 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 29th 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 Kantak, 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.

Appendix I

Refereed Conference Proceedings:

29th Australasian Finance and Banking Conference

Volume 1, No. 1: 23 May 2017

Rise of Factor Investing: Asset Prices, Informational Efficiency, and Security Design

Lin William Cong, University of Chicago Booth School of Business

Douglas Xu, University of Chicago, University of Chicago - Booth School of Business

Where to Hide in Bad Times: Or Should One Still Diversify Internationally?

Redouane Elkamhi, University of Toronto - Rotman School of Management

Denitsa Stefanova, Luxembourg School of Finance

On the Value of Portfolio Optimization in the Presence of Estimation Risk: The Case with and Without Risk-Free Asset

Raymond Kan, University of Toronto - Rotman School of Management

Xiaolu Wang, Iowa State University

Guofu Zhou, Washington University in St. Louis - Olin School of Business

Do Venture Capital Investors Learn from Public Markets?

Bibo Liu, Tsinghua University - PBC School of Finance

Xuan Tian, Tsinghua University - PBC School of Finance

Explaining Systemic Risk in Money Market Funds: An Exploratory Study

Necmi K. Avkiran, University of Queensland - Business School, Financial Research Network (FIRN)

Risk Perceptions and International Stock Market Liquidity

Rui Ma, Massey University - School of Economics and Finance

Hamish D. Anderson, Massey University - School of Economics and Finance

Ben R. Marshall, Massey University - School of Economics and Finance

Informed Trading in Family Firms: Evidence from Short Selling around Insider Sales

Hanwen Sun, University of Sheffield - School of Management

Shuxing Yin, University of Sheffield, School of Management

Asset Pricing Anomalies: A Multidimensional Analysis

Vitor G. Azevedo, Technische Universität München (TUM), Department of Financial Management and Capital Markets, Students

Volume 1, No. 2: 25 May 2017

How Do Investors Accumulate Network Capital? Evidence from Angel Networks

Buvaneshwaran Gokul Venugopal, University of Houston - C.T. Bauer College of Business, Students

Vijay Yerramilli, University of Houston, C. T. Bauer College of Business

Nearness to the 52-Week High and Low Prices, Past Returns, and Average Stock Returns

Li-Wen Chen, National Chung Cheng University

Hsin-Yi Yu, National University of Kaohsiung

Optimal Factor Strategy in FX Markets

Thomas Andreas Maurer, Washington University in St. Louis - John M. Olin Business School, London School of Economics & Political Science (LSE)

Thuy Duong To, University of New South Wales, Sydney, Financial Research Network (FIRN)

Ngoc-Khanh Tran, Washington University in Saint Louis - John M. Olin Business School

Environmental, Social and Governance Proposals and Shareholder Activism

Jiaying Wei, ESSEC Business School

Can Investors Benefit from Momentum Trading? Evidence from an Emerging Market

Sana Fatima Tauseef, Institute of Business Administration (IBA), Karachi

Mohammad Nishat, University of Karachi - Institute of Business Administration (IBA)

Government Spending Shocks and Asset Prices

Ruchith Dissanayake, University of Alberta - School of Business, Department of Finance and Statistical Analysis, Students

Do Banks Differently Set Their Liquidity Ratios Based on Their Network Characteristics?

Isabelle Distinguin, Université de Limoges, LAPE

Aref Mahdavi-Ardekani, Université de Limoges, LAPE

Amine Tarazi, Université de Limoges, LAPE

Market Segmentation of Stock and Options

Chang Mo Kang, UNSW Australia Business School, School of Banking and Finance, Financial Research Network (FIRN)

Donghyun Kim, University of Wisconsin - Milwaukee

Geul Lee, NH Finance Research Institute

Volume 1, No. 3: 30 May 2017

Monetary Policy Implementation and Financial Stability: Evidence from the Overnight Reverse Repurchase Facility

Alyssa G. Anderson, Board of Governors of the Federal Reserve System (FRB)

John Kandrak, Board of Governors of the Federal Reserve System

Do Bondholders Value Senior Loan Lender Control Rights?

Bo Li, Tsinghua University-PBC School of Finance

Lynnette D. Purda, Queen's School of Business

Wei Wang, Queen's School of Business, University of Pennsylvania - The Wharton School

The Value of Growth: Changes in Profitability and Future Stock Returns

Juan M. Sotes-Paladino, University of Melbourne - Department of Finance

George Jiaguo Wang, Manchester Business School, New York University - Stern School of Business

Yaqiong (Chelsea) Yao, Lancaster University - Management School, New York University (NYU) -

Leonard N. Stern School of Business

The Objective Function of Government-Controlled Banks in a Financial Crisis

Yoshiaki Ogura, Waseda University, School of Political Science and Economics

Private Information in the Chinese Stock Market: Evidence from Mutual Funds and Corporate Insiders

Yeguang Chi, Shanghai Advanced Institute of Finance

How Does Stock Illiquidity Affect the Informational Role of Option Prices?

Luis Goncalves-Pinto, National University of Singapore

Jing Xu, School of Finance, Renmin University of China

Dividends on Unearned Shares and Corporate Payout Policy: An Analysis of Dividend Equivalent Rights

Don M. Chance, Louisiana State University, Baton Rouge - Department of Finance, Louisiana State University, Baton Rouge - E.J. Ourso College of Business Administration

Chasing Ghosts: What Determines Flows Into Funds Without Performance Histories

Oleg Chuprinin, University of New South Wales (UNSW), Financial Research Network (FIRN)

Thomas Ruf, University of New South Wales (UNSW)

Volume 1, No. 4: 1 June 2017

Does CEO Learning Improve Takeover Success?

Giang Duc Nguyen, Waseda University - Graduate School of Economics

Agglomeration Effects and Liquidity Gradients in Local Rental Housing Markets

Daniel Ruf, University of St. Gallen - School of Finance

A Taxing Question – Does It Impact Capital Structure?

Phuong Dung Le, RMIT University

Advisor Lending to the Advised Acquirer During M&A: Conflict of Interest or Last Resort Financing?

Chong Chen, City University of Hong Kong (CityUHK)- Department of Economics & Finance

Xueping Wu, City University of Hong Kong (CityUHK) - Department of Economics & Finance

Aggregated Market Quality Implications of Dark Trading

Gbenga Ibikunle, University of Edinburgh, European Capital Markets Cooperative Research Centre

Matteo Aquilina, Financial Conduct Authority

Yuxin Sun, Edinburgh University Business School

Ivan Diaz-Rainey, University of Otago - School of Business

Forecast Bankruptcy Using a Blend of Clustering and MARS Model - Case of US Banks

Zeineb Affes, Université Paris I Panthéon-Sorbonne - Centre d'Economie de la Sorbonne (CES)

Rania Hentati Kaffel, Université Paris I Panthéon-Sorbonne - CES/CNRS

Earnings Transparency and Corporate Cash Holdings

Chenxi Liu, Lee Kong Chain School of business

The Sensitivity of Investment to Cash Flow: An Explanation Based on the Growth-Type-Aligned Financing Hierarchy

Xueping Wu, City University of Hong Kong (CityUHK) - Department of Economics & Finance
Chau Kin Au Yeung, The Chinese University of Hong Kong (CUHK)

Volume 1, No. 5: 06 June 2017

What Does It Mean to Be in a Team? Evidence from U.S. Mutual Fund Managers

Diamond Wang, University of Auckland - Department of Accounting and Finance

Does Stock Market Liquidity Affect Real and Accrual-Based Earnings Management?

Dan Li, The University of Hong Kong - School of Economics and Finance

Ying Xia, Monash University - Monash Business School

Asset Diversification and Efficiency: Evidence from the Chinese Banking Sector

Kai Du, University of Adelaide

Andrew C. Worthington, Griffith University

Valentin Zelenyuk, University of Queensland

Bank Lending Decisions and the Value Effect of Loan Announcements: New Evidence from the Sensitivity between Bank Loans and Firm Performance Adjusted for Earnings Management in China

Huanyu Cui, University of Wollongong, School of Accounting

Xiaofei Pan, University of Wollongong

Gary Gang Tian, Macquarie University, Financial Research Network (FIRN)

International Financial Integration: Stock Return Linkage and Volatility Transmission between Vietnam and Other Advanced Countries.

Võ Xuân Vinh, University of Economics Ho Chi Minh City, French-Vietnamese Center for Management Education (CFVG) in Ho Chi Minh City

Craig Ellis, Education Centre Australia

Sample Selection Bias, Return Moments, and the Performance of Optimal versus Naive Diversification

Bowei Li, University of Melbourne, Department of Finance, Students

An International Examination of the Role of Default and Liquidity Risks in the Interbank Market.

Nikolaos Karouzakis, University of Sussex, University of Sussex - School of Business, Management and Economics

John Hatgioannides, City University London - Sir John Cass Business School

Innovative Efficiency and Insider Trading: Korea Evidence

Sujin Yi, Sungkyunkwan University, School of Business Administration, Students

Volume 1, No. 6: 08 June 2017

DEA Portfolio Modeling - The Case of Socially Responsible Investing

Karl Weinmayer, Vienna University of Economics and Business - Institute for Finance, Banking and Insurance

Stephan M. Gasser, Vienna University of Economics and Business - Institute for Finance, Banking and Insurance

Margarethe Rammerstorfer, Vienna University of Economics and Business - Department of Corporate Finance

The Choice of Acquisition Form Around the World

Peng Huang, University of Waikato

Mark Humphery-Jenner, UNSW Business School, Financial Research Network (FIRN)

Ronan Powell, University College Dublin (UCD) - Michael Smurfit Graduate School of Business

Shareholder Litigation Rights and the Cost of Debt: Evidence from Derivative Lawsuits

Xiaoran Ni, Xiamen University - Wang Yanan Institute for Studies in Economics (WISE), Xiamen University - School of Economics, Tsinghua University, School of Economics & Management

Sirui Yin, University of Arizona, Eller College of Management, Department of Finance

Huilin Zhang, Beijing Normal University (BNU) - Business School

Cointegration and Relative Value Arbitrage

Binh Huu Do, Monash University, Financial Research Network (FIRN)

Robert W. Faff, University of Queensland

Self-Assessment of Retirement Preparedness

Bob Lissington, Massey University

Claire D. Matthews, Massey University - School of Economics and Finance

Michael Naylor, Massey University - School of Economics and Finance

The Performance of Governmental Venture Capital Firms: A Life Cycle Perspective and Evidence from China

Yuejia Zhang, University of Auckland, University of Auckland - Department of Accounting and Finance

David G. Mayes, University of Auckland

Relationship between the Projections and Recommendations of Equity Analysts and the Behavior of Fund Managers in an Emerging Market

Marcel dos Santos Cabral, University of São Paulo

Roy Martelanc, University of Sao Paulo (USP) - Department of Administration

What Drives Trustee-Director Compensation in Australian Superannuation Funds?

Kevin Liu, School of Risk and Actuarial Studies, UNSW Business School | University of New South Wales, Australia

Elizabeth Ooi, University of Western Australia - UWA Business School

Volume 1, No. 7: 13 June 2017

Do Index Futures Cause Spot Market Volatility? An Investigation of the Australian Resources Index

Neha Deo, Western Sydney University

Mason Prasad, KPMG
Maria Estela Varua, Western Sydney University

Director Cronyism and CEO Pay in New Zealand

Michelle Li, University of Auckland
Helen Roberts, University of Otago

The Value Relevance of Regulatory Capital Components

Martien Jan Peter Lubberink, Victoria University of Wellington - School of Accounting and Commercial Law
Roger J. Willett, University of Tasmania, University of Otago

Liquidity Timing in the Higher Moment Framework: Evidence from Bank Affiliated Fund

Woraphon Wattanatorn, PTT Public Company Limited, Silpakorn University, Thammasat University - Thammasat Business School
Chaiyuth Padungsaksawasdi, Thammasat Business School
Pornchai Chunnachinda, Thammasat University
Sarayut Nathaphan, Mahidol University International College (MUIC)

Maker-Taker Fee, Liquidity Competition, and High Frequency Trading

Yiping Lin, University of New South Wales, Capital Markets CRC Limited (CMCRC)
Peter L. Swan, University of New South Wales (UNSW Australia), Financial Research Network (FIRN)
Frederick H. deB. Harris, Wake Forest University, Capital Markets CRC Limited (CMCRC)

Trading of Takeover Target Shares

Jozef Drienko, Australian National University (ANU), Financial Research Network (FIRN)
Jan Drienko, Australian National University (ANU) - Research School of Finance, Actuarial Studies and Applied Statistics
Anna Helen von Reibnitz, Australian National University (ANU), Financial Research Network (FIRN)

Safe As Australian Houses? Financial Returns, Volatility and Taxation Policy 1999-2015

Greg Costello, Curtin University - Centre for Research in Applied Economics

The Impact of Capital Buffers on Future Loan Growth, Interest Income and Tier 1 Capital Ratios

Jyotirmoy Podder, Torrens University Australia
Tariq H. Haque, University of Adelaide, Financial Research Network (FIRN)

Volume 1, No. 8: 15 June 2017

The Gender Face-Off: Do Females Come Out on Top in Terms of Trading Performance?

Wei Lu, The University of New South Wales
Peter L. Swan, University of New South Wales (UNSW Australia), Financial Research Network (FIRN)
P. Joakim Westerholm, University of Sydney Business School, Financial Research Network (FIRN)

Bank Soundness and Cash Holdings: Evidence from a Bank-Centered Financial Market

Toshinori Sasaki, Toyo University - Faculty of Business Administration
Katsushi Suzuki, Hitotsubashi University - Graduate School of Commerce and Management

Corporate Governance and the Insolvency Risk of Financial Institutions

Jamshed Iqbal, University of Vaasa - Department of Accounting and Finance

Searat Ali, Griffith University, Griffith Business School, Department of Accounting, Finance and Economics, Students

Non- and Semi-Parametric Quantile Models for Recovery Rate

Nithi Sopitpongstorn, Monash Business School

Jiti Gao, Monash University - Department of Econometrics & Business Statistics

Param Silvapulle, Monash University - Department of Econometrics & Business Statistics

Xibin Zhang, Monash University

Voluntary Disclosure and Market Competition: Theory and Evidence from the U.S. Services Sector

G. Nathan Dong, Columbia University

Eda Orhun, Zayed University

Sharp Target Range Strategies with Application to Dynamic Portfolio Selection

Rongju Zhang, Monash University - School of Mathematical Sciences

Nicolas Langrené, Government of the Commonwealth of Australia - CSIRO (Commonwealth Scientific and Industrial Research Organisation)

Yu Tian, Monash University

Zili Zhu, Government of the Commonwealth of Australia - CSIRO (Commonwealth Scientific and Industrial Research Organisation)

Fima Klebaner, Monash University - School of Mathematical Sciences

Kais Hamza, Monash University

Trading Momentum: How Shares and Investors Behave During Momentum Periods

Josh Della Vedova, University of Sydney Business School

Andrew R. Grant, University of Sydney - Discipline of Finance, Faculty of Economics and Business, Financial Research Network (FIRN)

P. Joakim Westerholm, University of Sydney Business School, Financial Research Network (FIRN)

Unexpected Dividend Change Announcements and Corporate Bond Price Reactions

Xiaoting Wei, Australian National University (ANU) - Research School of Finance, Actuarial Studies and Applied Statistics

Cameron Truong, Monash University, Financial Research Network (FIRN)

Viet Minh Do, Monash University - Department of Accounting, Financial Research Network (FIRN)

Volume 1, No. 9: 20 June 2017

A Model-Free Tail Index and Its Return Predictability

Jinji Hao, Washington University in St. Louis

High Frequency Trading, Market Volatility and Trading Counterparty Performance

P. Joakim Westerholm, University of Sydney Business School, Financial Research Network (FIRN)

When Are Pre-Crisis Winners Post-Crisis Losers?

Kees Cools, University of Groningen

Arthur van Soest, Tilburg University, Netspar, RAND Corporation, Institute for the Study of Labor (IZA)

Joris van Toor, TIAS School for Business and Society

Agreeing on Disagreement: Heterogeneity or Uncertainty?

Saskia ter Ellen, Norges Bank

Willem F. C. Verschoor, VU University Amsterdam, Faculty of Economics and Business Administration

Remco C. J. Zwinkels, Vrije Universiteit Amsterdam, Tinbergen Institute - Tinbergen Institute Amsterdam (TIA)

Predicting US Banks Bankruptcy: Logit versus Canonical Discriminant Analysis

Zeineb Affes, Université Paris I Panthéon-Sorbonne - Centre d'Economie de la Sorbonne (CES)

Rania Hentati Kaffel, Université Paris I Panthéon-Sorbonne - CES/CNRS

Reporting Bias in Private Equity: Reporting Frequency, Endowments, and Governance

Sofia Johan, York University - Schulich School of Business, Tilburg Law and Economics Center (TILEC)

Minjie Zhang, York University - Schulich School of Business

Dynamic Conditional Correlations between Chinese Sector Returns and the S&P500 Index: An Interpretation Based on Investment Shocks

Myeong Hyeon Kim, National Pension Research Institute, Asian Institute of Corporate Governance

Lingxia Sun, Business School of Nankai University, Korea University Business School (KUBS)

Improving the Naive Portfolio Strategy

Chulwoo Han, Durham Business School

Hedge Fund Ownership, Funding Liquidity Constraints and Excess Return Co-Movement

Jerry T. Parwada, UNSW Australia Business School, School of Banking and Finance, UNSW Business School, Financial Research Network (FIRN)

Yixuan Rui, UNSW Australia Business School, School of Banking and Finance

Jianfeng Shen, UNSW Australia Business School, School of Banking and Finance



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