

Shenru Li

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EDUCATION

West Virginia University

Ph.D Candidate, Finance

Morgantown, WV

2017-2022(expected)

University of Illinois Urbana-Champaign

Master of Science, Economics

Champaign, IL

2015-2017

Waseda University

Bachelor of Art, International Political Economy

Tokyo, Japan

2011-2015

RESEARCH INTERESTS

Market Microstructure, Structure Shift, Corporate Social Responsibility (CSR), Asset Pricing, Volatility

WORKING PAPERS

“Do Traders Overweight Experience from First Movers?” with Naomi Boyd. Revise and resubmit at *Journal of Financial Research*

Abstract: Traders do not immediately adopt new trading platform when it is introduced. We examine empirically how first movers’ experience influences traders’ future actions. We model such adoption process and find the relationship to be U-shaped, with first movers greatly discourage their peers from adoption, while late movers encourage their peers to adopt the new trading platform.

“Disloyal Managers and Corporate Social Responsibility” with Naomi Boyd, Helen Wang, and Xian-jue Wang

Abstract: We investigate how managerial incentives influence corporate social responsibility (CSR). Whether CSR activities are conducted in shareholder interests or for managers’ own desires? We explore the staggered adoption of corporate opportunities waiver laws (COW) across different states as an exogenous shock that weaken the duty of loyalty potentially. We find that CSR decreases significantly after passage of the opportunities waiver laws, consistent with the delegation view. The negative effect is stronger for firms with weaker corporate governance, greater information asymmetry, and for industries with better growth opportunities. Taken together, our results indicates that CSR activities are the outcome of well-governed managerial decisions.

“The Price of Hidden Risk in Cross Section” with Victor Chow

Abstract: We test whether the hidden risk, the inconsistency between equity and option market, is priced. We construct a hidden risk index which increase when call option prices are lower than the level indicated by empirical distribution of underlying asset. We find the hidden risk index can predict underlying return in time series and in cross section. Stocks with higher hidden risk index earns significant lower return than stocks with low hidden risk index.

“When the U.S. Equity Market Sneezes, the World Catches Attention” with Chen Gu and Sultan Alturki, under review of *Journal of International Money and Finance*

Abstract: This paper demonstrates the leading role of the U.S. equity market in terms of investor attention, measured by Google Search Volume. Both in-sample and out-of-sample results display the significance of including lagged abnormal attention of U.S. equity market in improving forecast and predictability of other

international equity markets' abnormal attention. However, lagged abnormal attention of the other international equity markets exhibit limited forecast power. Our finding provides a reasonable underlying cause for the return predictability of the U.S. equity market over other international equity markets' return. Further, it sheds light in the contagion and interdependence between the U.S. equity market and other international equity markets, especially during financial crises.

WORK IN PROGRESS

“Fractional Stochastic Dominance in Cross Section”

Current stage: preliminary results

In this study, I theoretically show that local risk seek behavior could lead to nonlinearity in the pricing kernel.

“Tail Risk Premia in Energy Future Market” with Bingxin Li

Current stage: preliminary results

In this study, we explore the asymmetric volatility risk premium in energy future market. Our methodology allows us to decompose the volatility risk premium into the symmetric and asymmetric components.

HONORS AND AWARDS

2020 WVU Finance Department Outstanding Finance PhD Student

PRESENTATIONS AND PROFESSIONAL SERVICE

Presentations:

Do Traders Overweight Experience of First Movers? Southwestern Finance Association Annual Meeting 2021

Do Traders Overweight Experience of First Movers? Global Finance Conference 2021

Service

Referee: Managerial Finance

Session Chair: 2019 FMA Annual Meeting, SwFA 2021

Discussant: 2019 FMA Annual Meeting, SwFA 2021, GFC 2021

Review Committee: 2021 FMA Annual Meeting

TEACHING EXPERIENCE

Business Finance (Principle of Finance)

71 students, 2020 Fall, 4.0/5.0

50 students, 2021 Spring, 4.4/5.0

PROFESSIONAL MEMBERSHIP

Financial Management Association

Southwestern Finance Association

SKILLS

R, SAS, Python, Stata

REFERENCE

Naomi Boyd (Chair)

Professor of Finance and Fred T. Tattersall Chair;
Associate Dean for Outreach, Innovation and
Engagement, Dean's Office
Phone: 304-293-7891

He (Helen) Wang (Co-Chair)

Assistant Professor of Finance
Phone: 304-293-6725
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Victor (Kewn) Chow

Distinguished Professor of Global Business and
Finance, Adjunct Professor of Economics

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