

# YEN-CHENG CHANG

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## EDUCATION

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Sep 2003~	<b>MICHAEL G. FOSTER SCHOOL OF BUSINESS, UNIVERSITY OF WASHINGTON</b> <i>Ph.D. in Finance</i> , expected 2008 • Research Interests: Empirical Asset Pricing; Behavioral Finance; Liquidity • Working Papers: --“Intangible Return, Momentum, and Investor Psychology” (Job Market Paper) <a href="#">[Abstract]</a> --“What Drives Momentum: Behavioral Bias, or Liquidity Risk?” <a href="#">[Abstract]</a> • Paper Presentations: --Financial Management Association European Annual Meeting, Jun 2008, Prague, CZ --Financial Management Association Annual Meeting, Oct 2006, Salt Lake City, UT --University of Washington Finance Seminar, Jan 2006, Seattle, WA • Selected Coursework: Capital Market Theory, Empirical Asset Pricing, Corporate Finance, Econometrics (Generalized Method of Moments, Time Series) <i>Computational Finance Certificate</i> , expected 2008 • Coursework: Statistical Methods of Portfolios; Derivatives; Stochastic Calculus	Seattle, WA
Dec 2002	<b>DUKE UNIVERSITY</b> <i>M.A. in Economics (GPA: 3.9/4.0)</i>	Durham, NC
Jun 2000	<b>NATIONAL TAIWAN UNIVERSITY</b> <i>B.A. in Foreign Languages &amp; Literatures; Minor in Economics (GPA: 3.8/4.0)</i>	Taipei, Taiwan

## ACADEMIC & PROFESSIONAL EXPERIENCE

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Sep 2003~	<b>MICHAEL G. FOSTER SCHOOL OF BUSINESS, UNIVERSITY OF WASHINGTON</b> <i>Instructor/Teaching Assistant</i> • Undergraduate Level: Business Finance (Fall 2005, Summer 2006, Fall 2006, Summer 2007) --Full responsibility for class. Average Teaching Evaluation: 4.1/5.0 • MBA Level: Investments, Financial Futures & Options Market <i>Instructor of the NASDAQ Trading Room</i> Independently designed and taught training sessions for all UW Business School MBA/advanced undergraduate students on the NASDAQ trading room, featuring Reuters Trader.	Seattle, WA
2003	<b>MING-DAO UNIVERSITY</b> <i>Lecturer</i>	Chang-hua, Taiwan
2000~2001	<b>PRICEWATERHOUSECOOPERS, LLP</b> <i>Tax &amp; Legal Consultant</i> Responsible for corporate income tax administrative remedy cases.	Taipei, Taiwan

## COMPUTER/RESEARCH DATABASE SKILLS

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S-plus, Matlab, CRSP, Compustat, Datastream Advance, Reuters Trader, I/B/E/S

## LANGUAGES

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Mandarin Chinese, Taiwanese, and English (perfect score on TOEFL: 300/300, Nov 2000)

## HONORS & AWARDS

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McCabe Scholarship (Foster School of Business, University of Washington), 2007~2008

Presidential Award (National Taiwan University), 1995~1996

## WORKING PAPERS

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**“Intangible Return, Momentum, and Investor Psychology”**, accepted for presentation at the 2008 FMA European conference

**Abstract:** In this paper I examine investors’ reaction to intangible information that are orthogonal to fundamental growth measures. I show that over the 1-year horizon typically associated with the momentum anomaly, intangible return is positively (negatively) correlated with future returns for the largest (smallest) quintile firms, partially contradicting the behavioral model by Daniel, Hirshleifer, and Subrahmanyam (1998). A zero investment long-short strategy designed to exploit this phenomenon yields monthly risk-adjusted returns of -74 bp and +60 bp among the smallest and largest quintile firms. The strategy returns are both statistically and economically significant. Finally, I explore theoretical implications in light of the empirical results in the framework of Daniel, Hirshleifer, and Subrahmanyam (1998).

**“What Drives Momentum: Behavioral Bias, or Liquidity Risk?”**, presented at the 2006 FMA annual conference.

**Abstract:** One rationale for using behavioral biases to explain the momentum anomaly is evidence that firm level information uncertainty magnifies price momentum effect (Daniel, Hirshleifer and Subrahmanyam (1998, 2001) and Zhang (2006)). This paper provides an alternative explanation by investigating the role of liquidity risk in explaining the momentum magnifying phenomenon. Using three-way sorts, Fama-Macbeth procedure, and GMM, I show that liquidity risk has explanatory power in explaining the test portfolios, and in many cases subsumes this magnifying phenomenon. Therefore, my results show that covariance risk-based explanations for price momentum remain important, and cast doubt on previous empirical support for behavioral hypotheses.

## COMMITTEE MEMBERS

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