Behavioural Finance Working Group Conference Programme

Monday 13 June – Tuesday 14 June 2016

Venue
School of Business and Management, Queen Mary University of London Mile End Road London, E1 4NS

Keynote Speaker
Hersh Shefrin, Santa Clara University

Practitioner's Keynote
Peter Andrews, FCA Chief Economist

Special Issue
European Journal of Finance

Best Paper Awards
Best Qualitative Paper Award: Qualitative Research in Financial Markets
Best Quantitative Paper Award: European Journal of Finance

PhD Student Sponsorships
Sponsored by ICAEW

Organisers
Gulnur Muradoglu, Queen Mary University of London
Kim Kaivanto, Lancaster University

Monday 13 June

Registration (Ground Floor Foyer) **8.30-9.30**

Session 1 **9.30-11.00**

Session 1A: Investor Behaviour 1 **Chair: Anthony Bellafatto**
Room 3.23

Perceived skepticism or perceived management competence: How do investor react to financial jargons? Download PDF **Speaker:** Ozlem Arikan, University of Warwick **Co-author(s):** Ling Harris, University of South Carolina **Discussant:** Anthony Bellofatto	**How does language similarity impact foreign investing in a multilingual country? The case of Belgium** Download PDF **Speaker:** Anthony Bellofatto, Université catholique de Louvain **Discussant:** Caterina Lucarelli	**Financial disclosure, risk perception and investment choice: Evidence from Italian investors' behaviour** Download PDF **Speakers:** ● Caterina Lucarelli, Università Politecnica Marche ● N Linciano, Commissione Nazionale per le Società e la Borsa (CONSOB) **Co-author(s):** ● Monica Gentile, CONSOB ● P Soccorso, CONSOB **Discussant:** Ozlem Arikan

Session 1B: Fund Management **Chair: Richard Fairchild**
Room 3.26

Do hedge funds add value? Download PDF **Speaker:** John Crosby, University of Glasgow **Co-author(s):** ● Mario Cerrato, University of Glasgow ● Gurdip Bakshi, University of Maryland **Discussant:** Richard Fairchild	**A theory of hedge fund contracting and performance** Download PDF **Speaker:** Richard Fairchild, University of Bath **Discussant:** Guillaume Schoenenberger	**Daily herding behavior in the fund family** Download PDF **Speaker:** Guillaume Schoenenberger, EM Strasbourg Business School **Co-author(s):** Marie-Hélène Broihanne, EM Strasbourg Business School **Discussant:** Mario Cerrato

Session 1C: Risk Preferences **Chair: Jiayi Balasuria**
Room 3.40

Which measures predict risk taking in a multi-stage controlled decision process? Download PDF **Speaker:** Kremena Bachmann, Universität Zürich **Co-author(s):** ● Thorsten Hens, Universität Zürich ● Remo Stössel, Universität Zürich **Discussant:** Thoma Volker	**The ratio bias vs construal level theory revisited in different risk domains** Download PDF **Speaker:** Thoma Volker, University of East London **Discussant:** Stefan Zeisberger	**What is risk? Understanding how investors perceive risk in return distribution** Download PDF **Speaker:** Stefan Zeisberger, Stony Brook University **Co-author(s):** Laura Azoni, Universität Zürich **Discussant:** Kremena Bachmann

Coffee Break (Third Floor Foyer) **11.00-11.30**

Session 2 **11.30-13.00**

Session 2A: Financial Advice **Chair: Jo Silvester**
Room 3.23

In the eye of the advisor? Attributional bias and gender differences in investment judgements for wealthy clients

Download PDF

Speakers: Ylva Baeckstrom, City University London ● Jo Silvester, City University London
Co-author(s): Rachel Pownall, Maastricht University and Tilburg University
Discussant: Zhuoqiong Chen

Persistent bias in advice-giving

Download PDF

Speaker: Zhuoqiong Chen, London School of Economics
Co-author(s): Tobias Gesche, Universität Zürich
Discussant: John A Turner

Analyzing the quality of financial advice: Do conflicted advisers tell half-truths?

Download PDF

Speaker: John A Turner, Pension Policy Center
Co-author(s): Sally Shen, Capital University of Economics and Business
Discussant: Ylva Baeckstrom

Session 2B: Financial Advice **Chair: Darren Duxbury**
Room 3.26

Stock returns and investor sentiment: An empirical study of the French stock market

Download PDF

Speaker: Halima Baghdad, University of Paris 1 Panthéon Sorbonne
Discussant: Abul Shamsuddin

Investor sentiment and price-earnings multiple in G7 stock markets

Download PDF

Speaker: Abul Shamsuddin, The University of Newcastle, Australia
Co-author(s): Md Lutfur Rahman, The University of Newcastle, Australia
Discussant: Wenzhao Wang

Investor sentiment and stock returns: Evidence from global studies

Download PDF

Speaker: Wenzhao Wang, Newcastle University
Co-author(s): ● Darren Duxbury, Newcastle University ● Chen Su, Newcastle University
Discussant: Halima Baghdad

Session 2C: Stylised Facts **Chair: Ranko Jelic**
Room 3.40

Time varying illiquidity of European corporate bonds

Download PDF

Speaker: Ranko Jelic, University of Sussex
Co-author(s): Wolfgang Aussenegg, Technische Universität Wien ● XiaoHua Chen, Bank of England ● Dietmar Maringer, Universität Basel
Discussant: Qingwei Wang

It's Monday, again!

Download PDF

Speaker: Qingwei Wang, Cardiff University
Co-author(s): ● Iftekhar Hasan, Fordham University ● Ru Xie, Bangor University
Discussant: Vasileios Kallinterakis

Intraday herding on a cross-border exchange

Download PDF

Speaker: Vasileios Kallinterakis, University of Liverpool
Co-author(s): ● Panagiotis Andrikopoulos, Coventry University ● Mário Pedro Leite de Almeida Ferreira, Universidade Católica Portuguesa ● Thanos Verousis, University of Bath
Discussant: Ranko Jelic

Lunch (Ground Floor Foyer) **13.00-14.00**

Session 3 **14.00-15.30**

Session 3A: Contagion and Volatility **Chair: Darren Duxbury**
Room 3.23

On perceptions of financial volatility in price sequences

Download PDF

Speaker: Darren Duxbury, Newcastle University
Co-author(s): Barbara Summers, University of Leeds
Discussant: Deeya Sewraj

Real economy contagion

Download PDF

Speaker: Deeya Sewraj, Newcastle University
Discussant: Darren Duxbury

Session 3B: Household Behaviour **Chair: Katya Kartashova**
Room 3.26

Life-cycle and behavioural traits in household debt possession patterns - lessons from latent transition models

Download PDF

Speaker: Piotr Białowolski, Università degli Studi di Torino
Discussant: Florian Wendelspiess Chávez Juárez

The credit behavior of households - a behavioral approach

Download PDF

Speaker: Florian Wendelspiess Chávez Juárez, Centro de Investigación y Docencia Económicas (CIDE)
Discussant: Katya Kartashova

Household mortgage choice with dual-rate VRMs and short-term FRMs

Download PDF

Speaker: Katya Kartashova, Bank of Canada
Discussant: Piotr Białowolski

Session 3C: Other Markets **Chair: Alasdair Brown**
Room 3.40

Salience and the disposition effect: Evidence from the introduction of 'cash-outs' in betting markets

Download PDF

Speaker: Alasdair Brown, University of East Anglia
Co-author(s): Fuyu Yang, University of East Anglia
Discussant: Maurizio Fiaschetti

Compulsive gamblers: The frequency and timing of trades by UK DC plan participants

Download PDF

Speaker: Maurizio Fiaschetti, SOAS
Co-author(s): ● Gordon Clark, University of Oxford ●Peter Tufano, University of Oxford ●Michael Viehs, University of Oxford
Discussant: Giacomo Nocera

Experience and brokerage in asset markets: Evidence from art auctions

Download PDF

Speaker: Giacomo Nocera, Audencia Business School
Co-author(s): ● Brunella Bruno, Università Bocconi ● Emilia Garcia-Appendini, University of St Gallen
Discussant: Alasdair Brown

Coffee Break (Third Floor Foyer)	**15.30-16.00**
Session 4	**16.00-17.30**

Session 4A: Corporate Behavioural Finance **Room 3.23**		**Chair: Bonnie Buchanan**
Uncertainty and firm dividend policy: A natural experiment	**Reconciling market timing and corporate lifecycle explanations of seasoned equity issues: Is mispricing really random?**	**Good news, bad news and simultaneous disclosure**
Download PDF	Download PDF	Download PDF
Speaker: Bonnie Buchanan, Seattle University **Co-author(s):** ● Xuying (Cathy) Cao, Seattle University ● Eva Liljeblom, Hanken School of Economics ● Susan Weihrich, Seattle University **Discussant:** Danial Hemmings	**Speaker:** Danial Hemmings, Bangor University **Co-author(s):** ● Lynn Hodgkinson, Bangor University ● Qingwei Wang, Cardiff University **Discussant:** Lynn Hodgkinson	**Speakers:** ● Lynn Hodgkinson, Bangor University ● Dan Zhu, Bangor University **Co-author(s):** Qingwei Wang, Cardiff University **Discussant:** Bonnie Buchanan

Session 4B: Financial Literacy and Unemployment **Room 3.26**		**Chair: Sebastian Schneider**
Financial literacy and bank runs: An experimental analysis	**Decomposing the gender gap in financial literacy: Evidence from Rwanda**	**Unemployment, precautionary savings, and loss aversion: An empirical test**
Download PDF	Download PDF	Download PDF
Speaker: Vittorio Larocca, ESSEC Business School **Co-author(s):** ● Eloisa Campioni, Università degli Studi di Roma Tor Vergata ● Loredana Mirra, Università degli Studi di Roma Tor Vergata ● Luca Panaccione, Università degli Studi di Roma Tor Vergata **Discussant:** Antonia Grohmann	**Speaker:** Antonia Grohmann, DIW Berlin **Co-author(s):** Annekathrin Schoofs, RWI Essen **Discussant:** Sebastian Schneider	**Speaker:** Sebastian Schneider, Universität Göttingen **Co-author(s):** ● Sonia Triviño, Universität Göttingen ● Marcela Ibañez, Universität Göttingen **Discussant:** Vittorio Larocca

Session 4C: Momentum and Anchoring Room 3.40		Chair: Mustafa Disli
Price anchoring in the US stock market Download PDF **Speaker:** Mustafa Disli, Universiteit Ghent **Co-author(s):** ● Koen Inghelbrecht, Universiteit Ghent ● Koen Schoors, Universiteit Ghent ● Hannes Stieperaere, Universiteit Ghent **Discussant:** Tim Herberger	**Are momentum strategies feasible in intraday-trading? Empirical results from the German stock market** Download PDF **Speaker:** Tim Herberger, Universität Bamberg **Co-author(s):** ● Matthias Horn, Universität Bamberg ● Andreas Oehler, Universität Bamberg **Discussant:** Yuqian Zhao	**An exploration of momentum-sorted cross section return in Chinese stock market** Download PDF **Speaker:** Yuqian Zhao, University of Birmingham **Co-author(s):** ● Ruanmin Cao, CITIC Securities Co., Ltd ● Zhenya Liu, Renmin University of China **Discussant:** Mustafa Disli

Keynote Speech (David Sizer Lecture Theatre) **17.30-18.30**
Hersh Shefrin, Santa Clara University

Title: Behavioural Risk Management: Theory and Examples

Abstract: Risk management emphasizes techniques for making judgments of risk, rather than the management of risks. This talk uses a series of examples to explain the importance of adding a behavioural component to risk management, that will serve to emphasize how people make judgments of and decisions about risk. By doing so, risk managers can integrate a psychological dimension into their standard quantitative framework.

Bio: Hersh Shefrin is the Mario L. Belotti Professor of Finance at Santa Clara University. He is one of the pioneers in the behavioral approach to economics and finance. A 2003 article in the American Economic Review listed him as one of the top fifteen economic theorists to have influenced empirical work. In 2009, his behavioral finance book Beyond Greed and Fear was recognized by J.P. Morgan Chase as one of the top ten books published since 2000. Among Professor Shefrin's other books are A Behavioral Approach to Asset Pricing, Behavioral Corporate Finance, Ending the Management Illusion, Behavioralizing Finance, and Behavioral Risk Management. His work with Meir Statman received the William Sharpe Award Best Paper Award for the article "Behavioral Portfolio Theory," published in the Journal of Financial and Quantitative Analysis, and a Graham and Dodd scroll from the Association of Investment Management Research. Professor Shefrin earned his Bachelor of Science Degree from the University of Manitoba in 1970. He was awarded his Masters Degree in Mathematics in 1971 from the University of Waterloo and his Ph.D. from the London School of Economics in 1974. He also holds an honorary doctorate from the University of Oulu, Finland. He is frequently interviewed by the press and in February 2014 his work was profiled in a BBC-TV production on the program Horizons.

Dinner (Mucci's Restaurant) **18.30-20.30**

Tuesday 14 June

Registration (Ground Floor Foyer) **8.30-9.30**

Session 5 **9.30-11.00**

Session 5A: Portfolio Selection **Room 3.23**	**Chair: Warren Bailey**
Piety, politics and portfolio selection Download PDF **Speaker:** Warren Bailey, Cornell University **Co-author(s):** ● Orhan Erdem, Istanbul Bilgi Üniversitesi ● Cagri Onuk, Cornell University ● Yildiray Yildirim, Baruch College **Discussant:** Konstantinos Georgalos	**Updating beliefs under ambiguity in a portfolio choice experiment** Download PDF **Speaker:** Konstantinos Georgalos, Lancaster University **Discussant:** Warren Bailey

Session 5B: Experimental Finance **Room 3.26**	**Chair: Florian Wedlich**
Different insurance schemes as incentives for technology adoption: Experimental evidence from maize farmers in Mexico Download PDF **Speaker:** Hanna Freudenreich, Universität Göttingen **Co-author(s):** Oliver Mußhoff, Universität Göttingen **Discussant:** Matthias Horn	**Investors' personality influences investment decisions: Experimental evidence on extraversion and neuroticism** Download PDF **Speakers:** ● Andreas Oehler, Universität Bamberg ● Florian Wedlich, Universität Bamberg **Co-author(s):** ● Stefan Wendt, Reykjavik University ● Matthias Horn, Universität Bamberg **Discussant:** Hanna Freudenreich

Session 5C: Experimental Finance **Room 3.40**		**Chair: Chris Godfrey**
The negative credit risk-return puzzle: A behavioural story Download PDF **Speaker:** Chris Godfrey, University of Reading **Co-author(s):** Chris Brooks, University of Reading **Discussant:** Daniel Grosshans	**All's well that ends well? On the importance of how returns are achieved** Download PDF **Speaker:** Daniel Grosshans, Universität of Zürich **Co-author(s):** Stefan Zeisberger, Stony Book University **Discussant:** Maurizio Montone	**Fluency and stock returns** Download PDF **Speaker:** Maurizio Montone, Erasmus Universiteit Rotterdam **Co-author(s):** ● Martijn van den Assem, Vrije Universiteit Amsterdam ● Remco Zwinkels, Erasmus Universiteit Rotterdam **Discussant:** Chris Godfrey

Coffee Break (Third Floor Foyer) **11.00-11.30**

Session 6 **11.30-13.00**

Session 6A: Investor Behaviour 2 **Room 3.23**		**Chair: Daphne Sobolev**
Investors have feelings too Download PDF **Speaker:** Maximilian Hoyer, Universiteit van Amsterdam **Co-author(s):** Frans van Winden, Universiteit van Amsterdam **Discussant:** André Schmelzer	**Beyond information: Disclosure, distracted attention, and investor behaviour** Download PDF **Speaker:** André Schmelzer, Max Planck Institute for Research on Collective Goods **Co-author(s):** Adrian Hillenbrand, Universität Bonn **Discussant:** Daphne Sobolev	**Ethics of high frequency trading: Insider information** Download PDF **Speaker:** Daphne Sobolev, UCL **Discussant:** Maximilian Hoyer

Session 6B: Mergers and Acquisitions **Room 3.26**		**Chair: Evangelos Vagenas**
The impact of corporate cultural distance on mergers and acquisitions Download PDF **Speaker:** Zhenyi Huang, University of Reading **Co-author(s):** ● George Alexandridis, University of Reading ● Andreas G. F. Hoepner, University of Reading ● Ioannis Oikonomou, University of Reading **Discussant:** Evangelos Vagenas-Nanos	**Financial advisor centrality on mergers and acquisitions** Download PDF **Speaker:** Evangelos Vagenas-Nanos, University of Glasgow **Co-author(s):** ● Amna Noor Chaudhry, University of Glasgow ● Alexandros Kontonikas, University of Glasgow **Discussant:** Betty Wu	**Media deterrence and illegal insider trading prior to merger announcements** Download PDF **Speaker:** Betty Wu, University of Glasgow **Co-author(s):** ● Jo Danbolt, University of Edinburgh ● Antonios Siganos, University of Glasgow ● Mark Aleksanyan, University of Glasgow **Discussant:** Zhenyi Huang

Session 6C: Stylised Facts **Room 3.40**		**Chair: Richard Taffler**
How risk simulations improve long-term investment decisions Download PDF **Speaker:** Meike Bradbury, University of Zurich **Co-author(s):** ● Thorsten Hens, Norwegian School of Economics ● Stefan Zeisberger, Stony Brook University **Discussant:** Liang Jin	**Fund manager active share, overconfidence and investment performance** Download PDF **Speaker:** Liang Jin, University of Warwick **Co-author(s):** ● Arman Eshraghi, University of Edinburgh ● Richard Taffler, University of Warwick ● Amit Goyal, Université de Lausanne **Discussant:** Kim Kaivanto	**Asset pricing with habit-forming, heterogeneous-beliefs agents** Download PDF **Speaker:** Kim Kaivanto, Lancaster University **Co-author(s):** Peng Zhang, Lancaster University **Discussant:** Meike Bradbury

Lunch (Ground Floor Foyer) **13.00-14.00**

Session 7 (David Sizer Lecture Theatre) **Practitioner's Session**	**14.00-15.30**

Practitioner's Keynote	**14.00-14.30**
Peter Andrews, FCA Chief Economist	
Panel	**14.30-15.30**
Applications of behavioural finance in developing solutions and technology to help people make better financial decisions	
Speakers: Pete Brooks, Barclays Pete Trainor, Nexus Paul Adams, FCA	**Chair:** Gregg Davies

Session 8	**16.00-17.30**

Session 8A: Expert Behaviour **Room 3.23**		**Chair: Richard Taffler**
Fund manager skill: Does selling matter more than buying?	**Does personality drive price bubbles?**	**Behavioral biases in number processing: The case of analysts' target prices**
Download PDF	Download PDF	Download PDF
Speaker: Richard Taffler, University of Warwick **Co-author(s):** Liang Jin, University of Warwick **Discussant:** Florian Wedlich	**Speaker:** Matthias Horn, Universität Bamberg **Co-author(s):** ● Andreas Oehler, Universität Bamberg, ● Florian Wedlich, Universität Bamberg, ● Stefan Wendt, Reykjavik University ● Matthias Horn, Universität Bamberg **Discussant:** Tristan Roger	**Speaker:** Tristan Roger, Université Paris-Dauphine **Co-author(s):** ● Patrick Roger, EM Strasbourg Business School ● Alain Schatt, Université de Lausanne **Discussant:** Richard Taffler

Session 8B: Banks Analysts and Entrepreneurs **Room 3.26**		**Chair: Fred van Raaij**
Banking system trust, bank trust and bank loyalty	**Analyst recommendation and implied CDS returns**	**Entrepreneurial overconfidence and illusion of control: The effect on companies' under-insurance**
Download PDF	Download PDF	Download PDF
Speaker: Fred van Raaij, Tilburg University **Co-author(s):** Pauline van Esterik-Plasmeijer, independent researcher **Discussant:** Ghulam Sorwar	**Speaker:** Ghulam Sorwar, University of Salfod **Co-author(s):** ● John Pereira, Kingston University ● Mohamed Nurullah, Kingston University **Discussant:** Enrico Cervellati	**Speaker:** Enrico Cervellati, Università di Bologna **Co-author(s):** ● Francesco Corea, Università di Bologna ● Paolo Zanghieri, Università di Bologna **Discussant:** Fred van Raaij

Dinner (Mucci's Restaurant)	**18.00-20.00**