

SINING LIU

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ACADEMIC POSITIONS

Soochow University Assistant Professor of Finance	2023-Present
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EDUCATION

Faculty of Business and Economics, The University of Hong Kong Ph.D. in Finance	2018 - 2023
Olin Business School, Washington University in St.Louis M.S. in Finance (Quant Program)	2015 - 2017
School of Finance, Renmin University of China B.A. in Economics	2011 - 2015

RESEARCH INTEREST

Asset Pricing, International Finance, Macro-Finance, Banking

WORKING PAPERS

Currency Risk under Capital Controls(with Xiang Fang and Yang Liu)

Abstract: Currencies of emerging markets with stricter capital controls have lower average returns. These return spreads cannot be explained by traditional currency risk factors. The effect of capital controls is concentrated in debtor countries and is not present in currencies of advanced economies. The high-capital-control currencies depreciate less in times of high global risk, measured by VIX or currency implied volatility. This evidence is consistent with the macroprudential view of capital controls. We propose an equilibrium intermediary-based asset pricing model where a country borrows subject to an occasionally binding credit constraint. Capital controls can reduce the crises probability and mitigate the currency crashes in crisis times. The model quantitatively accounts for the empirical findings.

Presented at 2023 VSF, 2023 WFA, 2023 NASMES, 2023 ABFER, 2023 HEC-McGill Winter Finance Workshop, 2023 FDU (CFAM-ARX Paper Award), 2022 EFA, 2022 CICF, 2022 CFRC, 2022 CICM, 2022 AMES Tokyo, 2022 AMES Shenzhen, 2022 AsianFA

Roles of Global Banks in Local Asset Markets under Regulations

Abstract: Stronger regulations in fact enhance roles of global banks as marginal investors in the local asset markets. After the Global Financial Crisis, leverages of global banks become significant in predicting asset returns in local markets where their subsidiaries are located, while are muted in pre-crisis period. This transmission of roles of global banks is motivated by the positive funding advantage in local currency for dollar lenders through the FX swap market as a consequence of tighter balance sheet constraints imposed on global banks under the Basel III framework. For global banks with higher capital requirement, the effect of funding advantage is stronger. A two-bank two-currency model is proposed to justify the empirical findings.

The Conditional Dollar-Carry FX Pricing Model(with Thomas Maurer, Andrea Vedolin and Yaoyuan Zhang)

Abstract: The conditional Dollar-Carry (*DOL-CAR*) two factor pricing model is able to explain a rich cross-section of average currency returns. It is important to account for the time-variation in the conditional moments when estimating FX factor models. Unconditional estimations that ignore this time-variation mistakenly reject the *DOL-CAR* two factor model. Our results imply that FX markets are well described by a reduced form no-arbitrage model in which (i) each country-specific SDF loads on one country-specific and one global shock, and (ii) risk loadings are sufficiently time-varying. Other popular factors in the literature (besides *DOL* and *CAR*) do not necessitate additional shocks in the no-arbitrage model. Instead, they describe the time-variation in the SDF's loadings on the two shocks.

Presented at 2023 CICF, 2022 AFBC

PRESENTATIONS

Conferences

2023:

2023 Vienna Symposium on Foreign Exchange Markets (VSFX, Vienna)

2023 Western Finance Association (WFA, San Francisco)

2023 Asian Bureau of Finance and Economic Research (ABFER, Singapore)

2023 North America Summer Meeting of Econometric Society (NASMES, Los Angeles)

10th HEC-McGill Winter Finance Workshop (Ischgl, Austria)

2023 Finance Down Under (FDU, Melbourne)

—*CFAM-ARX Paper Award, the CFA Society of Melbourne and the Asia-Pacific Research Exchange of the CFA Institute*

2023 China International Conference in Finance (CICF, Shanghai)

2022:

49th European Finance Association Annual Meeting (EFA, Barcelona)

35th Australasian Finance and Banking Conference (AFBC, Sydney)

2022 China International Conference in Finance (CICF, Shanghai)

2022 China Financial Research Conference (CFRC, Beijing)

4th China International Conference on Macroeconomics (CICM, Shenzhen)

2022 Asian Meeting of the Econometric Society (AMES, Shenzhen)

34th Asian Finance Association Annual Meeting (AsianFA, Hong Kong)

2022 Asian Meeting of the Econometric Society (AMES, Tokyo)

DISCUSSIONS

Firm Foreign Activity and Exchange Rate Risk, Amir Akbari and Francesca Carrieri

Asian Finance Association Annual Meeting, June 2022

An Equilibrium Model of the Chonsei System, Baiyun Jing, Seongjin Park and Anthony Lee Zhang

Australasian Finance and Banking Conference, December 2022

PROFESSIONAL ACTIVITIES

Session Chair:

2022 Asian Meeting of the Econometric Society(Tokyo): International Macroeconomics

REFERENCES

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