



<http://www.K-AFA.org>

September 2020

President's Message

Dear KAFA Members, Friends, and Supporters:



I am sincerely hoping you have been healthy and safe, enduring this unprecedented pandemic that has been significantly changing our way of life with enormous uncertainty and forcing us to stay apart from each other. Nobody expected that such a pandemic would come during our life time, but by now about 3 million people around the world have been infected with COVID-19 virus, and more than 200,000 people have died so far in the U.S. alone. Fortunately, it is being reported that the effective vaccine would be given soon to the population in most need, though in limited supply, and eventually be widely available by next summer. We just hope that it will be the case so that we can go back to our normal life sooner than later and will never need to be in such an uncertain time again.

First of all, I am very pleased to announce that Professor Young Sang Kim at Northern Kentucky University has been elected as President Elect, who will join our next President, Professor Kiyong Chang at University of South Florida to serve KAFA from October 2020.

Also please join me in welcoming our new executive officers and board members: Daewoung Joey Choi at Louisiana State University Shreveport, Joonki Noh at Case Western Reserve University, and Sehyun Yoo at Belmont University as members of the Executive Board, and Hoikwang Kim at the University of South Carolina as a member of the Paper Review Committee. I would also like to express my appreciation to our outgoing officers for their valuable contributions: Ji-Woong Chung at Korea University, Jongsub Lee at Seoul National University, and Hyuna Park at Brooklyn College - CUNY.

Thanks of course go to the generous financial support from the Financial News (FN), Shinhan Bank (SHB), D. K. Kim Foundation, and the Lee Family, and we can continue to recognize KAFA members' outstanding scholarly achievements through various awards, including the FN-KAFA

Eminent Scholar Award, D.K. Kim Distinguished Scholar Award, the SHB-KAFA Young Scholar Award, the FN-KAFA Top-Journal Paper Award, the SHB-KAFA Best Paper Award, the Dr. Bong-Soo Lee Memorial Scholarship, the FN-KAFA Doctoral Student Dissertation Award, and the SHB-KAFA Scholarships for Ph.D. Students. Such financial supports have been possible primarily owing to deep understanding of KAFA's mission of Chairman Jae-Ho Jeon at FN, the CSR Team at SHB, Chairman Dong Koo Kim, and Chris and Paul Lee of the Lee family. I am so grateful to all of these philanthropical individuals and organizations that they have decided to continue their financial support of KAFA even during this pandemic so that we can give out awards to deserving scholars and Ph.D. students. With the recommendations from the Review Committee, we have selected the recipients of awards and scholarship and will announce their names and accomplishments during our annual business meeting in October.

KAFA leadership and other selected members have participated in the conference jointly arranged with the four Korea Finance Associations (KFAs) held annually in late May, and some of other KAFA members from the U.S. also participated in the Symposium organized together with the Korean Institute of Finance (KIF) around at the same time. Due to the global pandemic situations, the KAFA leadership has been modifying the nature of various activities. For example, we cancelled our trip to attend the 2020 Allied Korea Finance Association (AKFA) Annual Meeting. Two KAFA members whose papers were accepted for presentations and travel support from the U.S. also cancelled their trips. It was held in a hybrid format in August, and I attended only its morning virtual sessions due to the time difference. KIF and KAFA have also postponed its joint Symposium until 2021. Also, instead of visiting our sponsoring organizations such as Financial News, Shin Han Bank, Bank of Korea, and KIF, the KAFA leadership in the U.S. emailed our annual report to those organizations and the KAFA leadership in Korea instead visited some of them for luncheon meetings.

As you know, one of the most important KAFA events is held during the Financial Management Association Annual Meeting. This year, the FMA will be held in a virtual format, but KAFA will continue to offer two sessions (Session #19: Asia Finance and Session #328: Korea Finance). Professor Kiyong Chang, President-Elect, will chair Session #19 for three papers presented by one KIF senior research fellow and two invited non-Korean scholars. I will chair Session #328 for three papers presented by three Bank of Korea research fellows. The details of the two FMA sessions organized by KAFA can be found in this newsletter. I would like to extend my special thanks to Dr. Woon Shin at Bank of Korea Economic Research Institute (BOKERI) and Dr. Sangho Sohn at KIF for their support and dedication to promoting our professional goals. Please note that KAFA will also convene its annual board meeting and business meeting on Zoom during the FMA on Friday, October 23rd.

At this point, I don't expect that KAFA members in the U.S. will participate in person in the Conference on Asia-Pacific Financial Markets (CAFPM) in December 2020 run by Korea Securities Association (KSA) as well as in the KAFA-KCMI Joint Seminar organized together with the Korea Capital Market Institute (KCMI), both of which are scheduled to be held in Seoul. Although partial travel supports from KSA and stipends from KCMI are promised for participating KAFA members from the U.S., the COVID-19 situations and the 2-week self-quarantine requirement in Korea would likely to force the KAFA leadership and members in the U.S. to skip its participation on the CAFPM conference and have KAFA leadership/members in Korea participate in the KAFA-

KCMI Joint Seminar. Decisions will be made by KAFKA's board in its annual meeting during the 2020 FMA and announced immediately.

KAFKA has made a name impressively on the map in the academic world, particularly in finance. Many, many, non-Korean colleagues in our profession have been admiring our history and success, and of course such growth and accomplishments are mainly owing to the dedicated service of KAFKA leadership, its board, review committees, and financial support from its generous sponsors. But, KAFKA will surely continue to make even a bigger name among academic boards and societies for the years to come. As approved by the Board of Directors, KAFKA has launched two, new exciting projects during 2019-2020. First, for the first time in the history of KAFKA, it hosted a dinner during the ASSA meeting in San Diego in January 2020 for those scholars from KFAs and sponsoring institutes in Korea. Professor Kwangwoo Park (KAIST) and Dr. Sangho Sohn (President of KIF) and 14 others attended the dinner. Second, the KAFKA has planned to launch its intermediary role between scholars who are aspiring to be visiting scholars and the U.S. and Canadian universities that are willing to be hosts for those aspirants. The details are now being ironed out between KAFKA leaderships in the U.S. and Korea, but understandably its official launch has been postponed due to the pandemic. And other new business will emerge under the new leadership.

It was truly an honor and wonderful memory that I served for KAFKA as President Elect and President for the last two years. At the same time, I am realizing that perhaps I may be remembered as the only KAFKA president in its history who couldn't hold the in-person KAFKA annual business meeting with no dinner served for its members. I feel unfortunate and sorry but sincerely hope I will be the only one in the KAFKA's history book! Finally, I sincerely thank Professors Young Baek and Jung Chul Park, who have worked tirelessly as great team members and amazingly have agreed to serve for one more year as Treasurer and Secretary General, respectively, to make the transition for new President, Professor Kiyong Chang, be smooth. With their support and dedication, KAFKA will continue to be in really good hands.

I look forward to meeting with you on Zoom soon during the FMA and in the future IN PERSON conferences and KAFKA meetings.

Sincerely,

Y. Peter Chung
2019-2020 KAFKA President
University of California, Riverside

I. Recent KAFA Activities

Due to the Coronavirus (COVID-19) outbreak, our members could not attend the 2020 Joint Conferences with the Allied Korea Finance Associations (KFAs). The 2020 Joint Conference with the Korea Institute of Finance (KIF) was delayed to 2021.

II. 2020 Awards Recipients

We are pleased to announce the recipients of the annual awards for 2019-2020. Congratulations to all award winners. All recipients must attend the annual meeting to receive the awards.

1. The Financial News-KAFA Eminent Scholar Award

Selection Criteria: The FN-KAFA Eminent Scholar Award is given to a KAFA member who has achieved outstanding scholarly accomplishment and research contribution in leading journals in finance and related fields.

Winner: Professor Hoje Jo, Santa Clara University

2. The D.K. Kim Distinguished Scholar Award

Selection Criteria: The recipient of the D.K. Kim Distinguished Scholar Award should be a KAFA life-time member who has made outstanding scholarly achievements in the finance and related fields, and at the same time has substantially contributed to or has a potential for significant contribution to the growth of KAFA.

Winner: Professor Kee H. Chung, University at Buffalo

3. The Shinhan Bank-KAFA Young Scholar Award

Selection Criteria: The SHB-KAFA Young Scholar Award is given to a KAFA member who has demonstrated exemplary scholarly performance through publications in leading journals in finance and related fields. Those KAFA members who earned his or her Ph.D. degree within seven years prior to the award date would be considered for the award.

Winner: Professor Jungmin Kim, Hong Kong Polytechnic University

4. The Financial News & KAFA Top-Journal Paper Award

Winner: Professors Jaewon Choi, University of Illinois Urbana-Champaign, and **Sean Seunghun Shin**, Aalto University, “Corporate Bond Mutual Funds and Asset Fire Sales,” (co-authored with Saeid Hoseinzade and Hassan Tehranian), 2020, *Journal of Financial Economics*, forthcoming.

5. The Shinhan Bank & Kafa Best Paper Award:

Winner: Professors Kee-Hong Bae, York University, and **Jisok Kang**, John Carroll University, “Why is Stock Market Concentration Bad for the Economy,” (co-authored with Warren Bailey), 2020, *Journal of Financial Economics*, forthcoming.

6. Dr. Bong-Soo Lee Memorial Scholarship

Winner: Yoonsoo Nam, Washington State University

7. The Financial News & Kafa Doctoral Student Dissertation Awards:

Winner: Chanik Jo, University of Toronto, “Unintended Benefits of Employment Protection Laws: Household's Stock Market Participation.”

8. Shinhan Bank & Kafa Scholarship for Ph.D. Students

Congratulations! The following PhD students who are presenting papers at the FMA conference are selected for the Shinhan Bank Scholarship:

Chang Suk Bae (University of Pittsburgh)
Goeun Choi (Arizona State University)
Sojung Kim (Korea University)
Pil-Seng Lee (University of Texas at Dallas)

III. Shinhan Bank & Kafa Pandemic-Related Need-Based Grants

Kafa has made available a need-based grant program for those financially affected by the current COVID-19 pandemic situation. The purpose of this program was to strengthen Kafa as a caring community by financially supporting the members who economically suffered from the pandemic situation. Examples include, but are not limited to, the recent doctoral graduates whose job opportunities have been annulled by an employer, the doctoral students who lost the whole or a part of their school’s stipend, the term-contract faculty who were not able to secure the extension of current contract or a new job.

The total grant of \$5,000 were made to two recipients (\$2,500/recipient). Kafa also waived the lifetime membership fee for the recipients. Applications were confidentially handled by a dedicated small committee and the names of two recipients remained anonymous.

IV. KAFA News

1. KAFA New Officers

- New President-Elect: Prof. **Young Sang Kim**, Northern Kentucky University
- Secretary General-Elect: Prof. **Won Yong Kim**, Augsburg University
- Secretary General Korea: Prof. **Jong-Min Oh**, Sungkyunkwan University
- Treasurer-Elect: Prof. **Taek-yul (Ted) Kim**, West Chester University
- Executive Board Member: Prof. **Daewoung Joey Choi**, Louisiana State U. Shreveport
- Executive Board Member: Prof. **Joonki Noh**, Case Western Reserve University
- Executive Board Member: Prof. **Sehyun Yoo**, Belmont University

2. Two KAFA-FMA special sessions at the 2020 FMA virtual meeting

We appreciate Professor Kiyoung Chang, President-Elect, organizing two special sessions in the 2020 FMA meeting. All KAFA members are strongly encouraged to attend the following two sessions (KAFA-BOK and KAFA-KIF).

- **Korea America Finance Association and Korea Institute of Finance Special Session**



Tuesday, October 20, 8:00 am - 9:30 am (Eastern Time), Virtual Session

Moderator:

Kiyoung Chang, President-Elect, Korea America Finance Association, University of South Florida

Presentation:

- Zihang Ryan Peng, University of New South Wales, “Does Global Outsourcing Affect Corporate Customers’ Voluntary Disclosures?”
 - Sangche Lee, Korea Institute of Finance
 - Le Zhang, Australian National University, “The Price of the Slow Lane: Traffic Congestion and Stock Block Trading Premium.”
- **Korea America Finance Association and Bank of Korea Special Session**



Thursday, October 22, 8:00 pm - 9:30 pm (Eastern Time), Virtual Session

Moderator:

Peter Chung, President, Korea America Finance Association, University of California, Riverside

Presentation:

- Youngjun Choi, “Performance-based Effects of the Corporate Governance in Korea's Debtor-in-Possession System.”
- Kwangyong Park, “The Excess Volatility of Long-term Interest Rates and Central Bank Credibility.”
- Christopher Paik, “Financial Globalization: Effects on Banks Information Acquisition and Credit Risk.”

IV. KAFA Board and Annual Business Meeting

1. KAFA Executive Board Meeting

When: 6:00 pm – 8:00 pm, Friday, October 23, 2020 (Eastern Time)

Where: Virtual Meeting

KAFA Officers and Executive Board 2020

<input type="checkbox"/> President	Peter Chung, University of California, Riverside
<input type="checkbox"/> President-Elect	Kiyong Chang, University of South Florida
<input type="checkbox"/> Vice President	Woojin Kim, Seoul National University
<input type="checkbox"/> Secretary General	Jung Chul Park, University of South Florida
<input type="checkbox"/> Secretary General KAFA Korea	Noolee Kim, Hanyang University
<input type="checkbox"/> Treasurer	Young Baek, Nova Southeastern University
<input type="checkbox"/> Cyber Director	Kiseo Chung, Texas Tech University
<input type="checkbox"/> Executive Board	Chulhee Jun (2021), Bloomsburg University of PA Jaemin Kim (2021), San Diego State University Hayong Yun (2021), Michigan State University Haemi Choi (2022), Loyola University Chicago Hwagyun Kim (2022), Texas A&M University Hoikwang Kim (2022), University of South Carolina Daewoung Joey Choi (2023), Louisiana State U. Shreveport Joonki Noh (2023), Case Western Reserve University Sehyun Yoo (2023), Belmont University
Advisory Board	All previous presidents

2. Annual Business Meeting

When: 8:00 pm – 9:30 pm, Friday, October 23, 2020 (Eastern Time)

Where: Virtual Meeting

3. KAFA Virtual Party

A virtual party will be held after the annual business meeting. COVID-19 has forced us to postpone our in-person meeting but it does not prevent us from sharing our friendship. Bring your own drinks!

When: 9:30 pm – 11:00 pm, Friday, October 23, 2020 (Eastern Time)

Where: Virtual Party

V. Member News

1. Publications

Following is a list of recent publications by KAFA members. Only those provided to the KAFA office by the authors are listed here.

- **Kee-Hong Bae** and **Jisok Kang**, “Why is Stock Market Concentration Bad for the Economy,” (co-authored with Warren Bailey), 2020, *Journal of Financial Economics*, forthcoming.
- **Sung C. Bae**, “Is Hedging with Financial Derivatives Effective During Financial Crises?” (co-authored with Taek Ho Kwon), 2020, *Journal of Futures Markets*, conditionally accepted.
- **Sung C. Bae**, “Foreign Currency Borrowing Surrounding the Global Financial Crisis: Evidence from Korea,” (co-authored with Hyeon Sook Kim and Taek Ho Kwon), 2020, *Journal of Business Finance and Accounting*, forthcoming.
- **Sung C. Bae**, “Do Firms Benefit from Related Party Transactions with Foreign Affiliates? Evidence from Korea,” (co-authored with Taek Ho Kwon), 2020, *International Review of Finance*, forthcoming.
- **Soku Byoun**, **Seung Hun Han**, and **Yoon S. Shin**, “Does the Nationally Recognized Statistical Rating Organization (NRSRO) Certification Matter for a Japanese Credit Rating Agency?” 2020, *Journal of Financial Markets*, forthcoming.
- **J. Jay Choi**, “Is an M&A Self-dealing? Evidence on International and Domestic Acquisitions and CEO Compensations,” (co-authored with Omer Genc and Ming Ju), 2020, *Journal of Business Finance and Accounting*, forthcoming.
- **J. Jay Choi**, *Disruptive Innovation in Business and Finance in the Digital World*, (co-authored with Bora Ozkan, eds.), *International Finance Review*, Volume 20, UK: Emerald Group Publishing, 2019 (ISBN-13: 978-1789733822).

- **Jaewon Choi and Sean Seunghun Shin**, “Corporate Bond Mutual Funds and Asset fire Sales,” (co-authored with Saeid Hoseinzade and Hassan Tehranian), 2020, *Journal of Financial Economics*, forthcoming.
- **Byoung-Hyoun Hwang**, “Offsetting Disagreement and Security Prices” (co-authored with Shiyang Huang, Dong Lou, and Chengxi Yin), 2020, *Management Science*, forthcoming.
- **Byoung-Hyoun Hwang**, “The Rate of Communication” (co-authored with Shiyang Huang and Dong Lou), 2020, *Journal of Financial Economics*, forthcoming.
- **Jun-koo Kang**, “Private Placements of Equity and Firm Value: Value Enhancing or Value Destroying?” (co-authored with James Park), 2020, *Journal of Financial and Quantitative Analysis*, forthcoming.
- **Young Sang Kim and Sang Mook Lee**, “Do co-opted directors influence corporate risk-taking and credit ratings?” (co-authored with Pornsit Jiraporn and Keun Jae Park), 2020, *Quarterly Review of Economics and Finance*, forthcoming.
- **Sang Mook Lee**, “Customer Concentration and Stock Crash Risk,” (co-authored with Hakjoon Song and Pornsit Jiraporn), 2020, *Journal of Business Research* 110, 327-346.
- **Suin Lee and Jung Chul Park**, “Know Thy Neighbor: Political Uncertainty and the Informational Advantage of Local Institutional Investors,” (co-authored with Tom Aabo and Christos Pantzalis), 2020, *Journal of Banking and Finance* 113, 105762.
- **Hyuna Park**, “Intangible Assets and the Book-to-market Effect,” 2019, *European Financial Management*, 25(1), 207-236.
- **Hyuna Park**, “An Intangible-adjusted Book-to-market Ratio Still Predicts Stock Returns,” 2020, *Critical Finance Review*, forthcoming.
- **Hyuna Park**, “Manager Characteristics and Hedge Fund Returns, Liquidity, and Survival,” 2020, *Journal of Alternative Investments*, forthcoming.
- **Jung Chul Park**, “Does CEO Myopia Impede Growth Opportunities?” (co-authored with Murad Antia and Christos Pantzalis), 2020, *Review of Quantitative Finance and Accounting*, forthcoming.
- **Jung Chul Park**, “Stock Market Consequences of Political Vibrancy” (co-authored with Christos Pantzalis), 2020, *Journal of Financial Research* 43, 491-542.
- **Jung Chul Park**, “So Far Away from Me: Firm Location and the Managerial Ownership Effect on Firm Value,” (co-authored with Bradley W. Benson, Yu Chen, and Hui L. James), 2020, *Journal of Corporate Finance* 64, 101658.

- **Jung Chul Park**, “CEO Fixed Effects and Inside Debt Compensation” (co-authored with Bradley W. Benson and Hui L. James), 2020, *Journal of Business Research* 117, 71-86.
- **Seongkyu Gilbert Park**, “The Fu (2009) Positive Relation between Idiosyncratic Volatility and Expected Returns Is Due to Look-Ahead Bias,” (co-authored with K. C. John Wei and Linti Zhang), 2020, *Critical Finance Review*, forthcoming.
- **Seongkyu Gilbert Park**, “Does Corruption Grease or Sand the Wheel of Investment or Innovation? Different Effects in Advanced-Emerging Economies,” (co-authored with Fangfang Hou and Yuna Heo), 2020, *Applied Economics*, forthcoming
- **S. Ghon Rhee**, “Conditional Extreme Risk, Black Swan Hedging, and Asset Prices,” (co-authored with Feng Wu), 2020, *Journal of Empirical Finance*, forthcoming.
- **S. Ghon Rhee**, “Do Low Search Frictions Facilitate Like-buys-Like Mergers? Evidence from Common Bank Networks,” (co-authored with Jiakai Chen and Joon Ho Kim), 2020, *Journal of Financial Economics*, forthcoming.
- **S. Ghon Rhee**, “Navigating through Economic Policy Uncertainty: The Role of Corporate Cash Holdings,” (co-authored with Huu Nhan Duong, Justin Hung Nguyen, and My Nguyen), 2020, *Journal of Corporate Finance*, forthcoming.

2. New Positions / Promotions / Awards

Promotions

- In the fall of 2020, Professor **Soku Byoun** was promoted to a Full Professor and Carr P. Collins Endowed Chair of Finance.

Awards

- Professor **Choonsik (Chris) Lee** at University of Rhode Island has received the College of Business Dean’s Excellence Award in Research.
- Professor **Seongkyu Gilbert Park** at Hong Kong Polytechnic University received the Honorable Mention (2nd Prize) for his paper, “Standard Call Auction and Closing Price Manipulation: Evidence from the Hong Kong Stock Exchange (co-authored with Wing Suen and Kam-Ming Wan)” at the 16th Annual Conference of the Asia-Pacific Association of Derivatives (APAD), 2020.

VII. Other Announcement

1. Kafa website (www.mykafa.org) will be updated including Kafa news, membership, and members' activities. Please be patient with the update as we are in transition. Also, please give your suggestions or comments to the Secretary General (jpark5@usf.edu).
2. We need more active participation of currently inactive finance professors and/or Ph.D. students for Kafa involvement. We strongly encourage you to introduce Kafa to your colleagues for their new membership.
 - Please become a life-time member by sending one time due of just \$300 along with the Membership Application.

Membership Application

Full Name: _____
Last First Middle

Education:

Undergraduate _____
School Degree Year

Graduate _____
School Degree Year

Graduate _____
School Degree Year

Current Position:

Title: _____

Affiliation: _____

Address: _____
Street City State Zip

Phone: () _____ - _____ Phone Type: Home (), Mobile (), Office ()

E-mail Address: _____ *A receipt and future Kafa communications will be emailed to this address.*

Fields of Specialization in Finance:

1. _____ 2. _____

Membership Dues (Check One):

() \$300 Lifetime Member () \$20 Non-voting Associate Member

Optional information

Home Address: _____
Street City State Zip

Phone 2: () _____ Phone 3: () _____

Please send this form and a check (*payable to Kafa*) to: Dr. H. Young Baek (백형기)
 446 Conservation Drive
 Weston, FL 33327

For questions/comments, please contact Kafa Treasurer Dr. H. Young Baek (백형기)
 Mobile: 954-770-7222
 Email: hybaek@nova.edu