

DIJUN LIU

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Education

2019-2023 (Expected) Ph.D. in Economic Analysis, Universitat Autònoma de Barcelona (UAB)
2017-2019 M.A. in Economic Analysis, Universitat Autònoma de Barcelona (UAB)
2013-2017 B.A. in Economics, Zhongnan University of Economics and Law (ZUEL)

Fields of Interests

Empirical Asset Pricing, Market Anomalies

Research

Job Market Paper

What Drives Behavioral or Mispricing-based Factors?

Working Papers

What Drives the Short Duration Premium

Intangible Capital and the Value-Growth Anomaly

Volatility-Managed Portfolio Performance: An Empirical Analysis

Seminars and Conferences

2022 Universitat Autònoma de Barcelona (Applied working group), BSE PhD Jamboree
2021 Universitat Autònoma de Barcelona (Applied working group), ENTER PhD Jamboree (discussant)
2020 Universitat Autònoma de Barcelona (Applied working group)

Research Experience

Spring 2021 Development Economics, UAB, RA for Prof. Andre Groeger

Teaching Experience

Fall 2021 Microeconomics II, UAB, Masters, TA for Prof. Ramon Caminal
Fall 2019, 2020, 2021 Probability and Statistics, UAB, Masters, TA for Prof. Jordi Caballe
Fall 2016 Macroeconomics, ZUEL, undergraduate, TA for A/Prof. Yin Chu

Other Experience

2021 European Winter Meetings of the Econometric Society (student helper)

Fellowships and Awards

2020-2023 FI-AGAUR Predoctoral Fellowship, Generalitat de Catalunya and European Social Fund
2017-2019 Master Track Fellowship, BSE
2016 Outstanding Undergraduates, ZUEL
2015-2016 Annual Third-Class Scholarship, ZUEL
National Endeavor Fellowship, Ministry of Education of the People's Republic of China
2014-2015 Annual Third-Class Scholarship, ZUEL
National Endeavor Fellowship, Ministry of Education of the People's Republic of China
2013-2014 The Third-Class Prize in school empirical innovation projects, ZUEL
Outstanding Volunteer, ZUEL
Annual Second-Class Scholarship, ZUEL
National Endeavor Fellowship, Ministry of Education of the People's Republic of China

Skills

Languages: Chinese (native), English (fluent)
Programming: Python, Stata, R, \LaTeX

References

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|--|--|--|
| Abhay Abhyankar (supervisor) | Michael Creel (tutor) | Jordi Caballé |
| Professor of Finance | Professor of Economics | Professor of Economics |
| MOVE, UAB and BSE | UAB and BSE | UAB and BSE |
| abhyanka@gmail.com | michael.creel@uab.es | jordi.caballe@uab.es |

Personal Information

Born: 30 March 1995.
Citizenship: Chinese.

Abstracts

1. “What Drives Behavioral or Mispricing-based Factors? (Job Market Paper)”, 2022

Abstract: Factor models are important to explain returns and to calculate the required rate of return. We analyze the risk associated with the outstanding behavioral and mispricing-based factors proposed recently that outperform other factor models in explaining a broad range of return anomalies. Present variance decomposition suggests that cash flow news is the main driver for all of these factors and their mean-variance efficient portfolios while discount rate news dominates at the aggregate market level. The explanatory power of these factors largely stems from the ability of their cash flow news to explain anomalies’ unexpected return news. The beta analysis also indicates that the cross-sectional variation of market beta comes from the variation in their cash flow components of beta. Therefore, though these factors are most likely to be explained by mispricing, their fundamental cash flow news plays an important role.

2. “What Drives the Short Duration Premium”, 2021

Abstract: Equity duration is the present value weighted cash flow maturity. It measures the sensitivity of the price to the change in interest rate. Using a present value decomposition approach, I calculate the contribution of cash flow news and discount rate news to the unexpected returns for portfolios based on equity duration. Surprisingly, the cash flow news is the main driver across portfolios that are composed of stocks with long duration or short duration. Stocks characterized by a shorter duration earn a return premium over stocks with a longer duration. Though the short-duration premium embeds value premium, it cannot be a substitute for the intangible adjusted book-to-market ratio. Portfolio analyses indicate that the premium is concentrated on small stocks and stocks that are possibly short-sale constrained.

3. “Intangible Capital and the Value-Growth Anomaly”, 2020

Abstract: I study the value anomaly across firms and over time given its significance in finance theory and practice. In this paper, we calculate and compare four versions of the book-to-market ratio to account for the growing importance of intangible capital and the dispute of its estimation. Though the intangible adjusted book-to-market ratio improves the performance of value anomaly, none of them can expand the mean-variance frontier spanned by four other factors, and they all experience persistent drawdowns in recent decades. The analysis within different industries does not corroborate the argument that the death of value strategy is caused by conservative accounting biases in book value. The selection of a better estimation method for intangibles is hampered as it changes across contexts. Last, I show that instead of using intangible capital to adjust book value, leveraging the ratio of intangible capital over market value can deliver HML factors which feature much higher cumulative returns and smaller drawdowns in recent decades. The drawdowns of HML factors are closely associated with the change in relative valuation.