XING HUANG

Department of Finance, Michigan State University
Eppley Center, 645 N. Shaw Lane, Rm 308, East lansing, MI 48824
Phone: (517) 432 - 5992 · Email: huangx@bus.msu.edu
Website: https://sites.google.com/site/xinghuangcal/

ACADEMIC APPOINTMENT

Assistant Professor	Department of Finance, Michigan State University	2013 - Present

EDUCATION

Ph.D.	Economics	University of California, Berkeley	2013
M.A.	Finance	Guanghua School of Management, Peking University	2007
B.A.	Finance	Guanghua School of Management, Peking University	2005

RESEARCH FIELDS

Research Fields: Behavioral Finance, Investor Behavior, Market Efficiency, Information Acquisition, Mutual Funds, Asset Pricing

WORKING PAPERS

1. **Thinking Outside the Borders: Investors' Inattention to Foreign Operations**[1] (Revise and Resumbit at *the Review of Financial Studies*)
Abstract: Using the corresponding industry return in the foreign countries, I show that the foreign operations information of multinational firms is slowly incorporated into stock prices. A trading strategy based on this effect generates an abnormal return of approximately 0.8% per month, or 9.6% per year, controlling for risk-based factors. The return predictability is not driven by U.S. industry momentum, global industry momentum or foreign country-specific industry momentum. The predictability becomes more pronounced for smaller and more opaque firms, and firms with lower fraction of foreign operations and more geographic segments. I also find that stock prices respond more to foreign operations information during the month of a quarterly earnings announcement or when there is more foreign news relative to domestic news appearing in the media. In addition, information about firms' operations in Asia is delayed more than information about operations in Europe and English-speaking countries. These results are consistent with the hypothesis that news about multinational firms' foreign operations diffuses gradually, indicating investors' limited attention and processing capacity for foreign information.

2. **Mark Twains Cat: Industry Investment Experience, Categorical Thinking and Stock Selection** (Submitted to *the Journal of Finance*)
Abstract: This paper examines the impact of prior investment experience in a specific investment category on the subsequent purchase decisions in that category. I initially focus on industry as the relevant categorization scheme. Using trading records data for households at a large discount broker from 1991 to 1996, I establish that the experience of positive excess returns in a given industry increases the probability of purchasing similar stocks in that industry relative to other industries. This result is robust to

[1] A previous version of the paper was distributed under the title "Gradual Information Diffusion in the Stock Market: Evidence from U.S. Multinational Firms"

industry momentum, wealth effects, and investor heterogeneity. The effect weakens for distant experiences, and for sophisticated or diversified investors. These results are consistent with mechanisms where investors put more weight on their own experience than on other available historical information when updating the beliefs about an industry's future return. The results are also consistent with investors learning about their stock-picking ability in an industry from their experienced outcomes. Furthermore, the industry experience effect I identify is not evident in the sample when size and value are used to create investment categories. This suggests that there is something particularly salient about industry groupings which, coupled with experience-related behavior, may give rise to the well-known industry momentum effect that is absent in size- or value-based categories.

3. **Which Risk Factors Matter to Investors? Evidence from Mutual Fund Flows** (with Brad Barber, Terrance Odean)
Abstract: When selecting an actively managed equity fund, investors seek to identify fund managers who are able to generate positive risk-adjusted performance (alpha). To assess risk-adjusted performance, investors must apply a model of risk when ranking funds; thus, we can infer the risk model that investors use by the fund choices that they make. Based on this observation, we analyze the sensitivity of fund flows to alphas calculated using competing models of risk: market-adjusted returns, the Capital Asset Pricing Model (CAPM), the Fama-French three-factor model (which adds size and value factors), and the Carhart four-factor model (which adds a momentum factor). We first find that the CAPM-based alpha better explains fund flows than the three- or four-factor alphas. We then decompose fund returns into five categories (1) four-factor alpha and returns that can be traced to the (2) market (beta), (3) size, (4) value, and (5) momentum tilts of the fund. We find that investors are most sensitive to a funds alpha. Fund returns that can be traced to size, value, or momentum are discounted, but not much (with sensitivities ranging from 67-84% of that observed for alpha). However, fund returns that can be traced to the market beta of the fund are heavily discounted (with a sensitivity less than 25% of that observed for alpha). These results indicate that investors care about market risk when evaluating mutual funds, but most do not treat factor returns as compensation for risk when evaluating the performance of actively managed mutual funds.

4. **Rushing into American Dream? House Prices, Timing of Homeownership, and Adjustment of Consumer Credit** (with Sumit Agarwal, Luojia Hu, under review at a special issue of *the Journal of Money, Credit, and Banking*)
Abstract: In this paper we use a large panel of individuals from Consumer Credit Panel dataset to study the timing of homeownership as a function of credit constraints and expectations of future house price. Our panel data allows us to track individuals over time and we model the transition probability of their first home purchase. We find that in MSAs with highest quartile house price growth, the median individual become homeowners earlier by 5 years in their lifecycle compared to MSAs with lowest quartile house price growth. The result suggests that the effect of expectation dominates the effect of credit constraints and high price growth leads individuals to purchase home earlier. We further study other credit/loan behaviors around first-home purchases for young and old buyers. We find that younger buyers make more adjustments in their finances after the purchase taking out more debt/credit, and yet they do not appear to experience larger increase in delinquency than older buyers.

WORK IN PROGRESS

5. Swimming with Sharks: Venture Capitalists' Decision Making (with Zoran Ivkovich, John Jiang, Isabel Wang)
6. Gaming the Cutoff: FICO Manipulation and the Real Estate Crisis (with Luojia Hu, Andrei Simonov)
7. Understanding Context-Dependent Probability Weighting through Field Experiment of Lottery Pools

(with Hayong Yun)
8. Investors' Underdiversification: A Field Experiment with Financial Brokerage Accounts (with Jing Cai)

PRESENTATIONS & DISCUSSIONS

2014	AAEA†, CICF (Discussant)†, FIRS (Discussant)†, Helsinki Finance Summit*†, IBEFA†, JOIM*, University of Stavanger*, WFA Annual Meeting†
2013	AFA Annual Meeting, Arrowstreet Capital, Chicago Fed, Cornerstone Research, Dallas Fed Housing, Stability and the Macroeconomy Conference, Helsinki Finance Summit, Michigan State University, PDT Partners, SEC, Temple University, University of Illinois Chicago, University of Toronto, Virginia Tech, Yale University
2012	Academy of Behavioral Finance & Economics Annual Meeting, Chicago Fed, EconCon, Miami Behavioral Finance Conference, Olin Business School Corporate Finance Conference (Poster), UC Davis (Finance), UC Berkeley (Finance, Economics), WEAI Annual Meeting (Discussant)
2011	Chicago Fed, LBS Transatlantic Doctoral Conference, UC Berkeley (Finance, Economics)
2010	UC Berkeley (Economics)

† - scheduled, ∗ - presented by coauthors

INVITED PARTICIPATION

2011	NBER Entrepreneurship Boot Camp (Cambridge), Price Theory Summer Camp (Chicago)
2010	Summer Institute in Behavioral Economics (Trento, Italy)
2009	Yale Summer School in Behavioral Finance (New Haven)

HONORS AND AWARDS

2012	Stuart I. Greenbaum Best Finance Ph.D. Dissertation Award, Finalist
2011	American Finance Association Student Travel Grant Award; UC Berkeley Graduate Division Travel Grant
2010	Dean's Normative Time Fellowship, UC Berkeley
2007	Shapiro Fellowship, UC Berkeley
2006	Yang Fuqing & Wang Yangyuan Academician Fund of Peking University
2005	Excellent Graduate of Peking University
2004	Dawa Securities Scholarship of Peking University; Lingrui Scholarship of Peking University
2003	UFJ International Syndicate Scholarship of Peking University
2002	May 4th Scholarship of Peking University

RESEARCH & PROFESSIONAL EXPERIENCE

2011	Dissertation Research Fellow	Federal Reserve Bank of Chicago
2011	Research Associate (Intern)	Morgan Stanley Capital International
2008-2012	Research Assistant for Prof. Nancy Wallace	UC Berkeley
2011	Research Assistant for Prof. Terrance Odean	UC Berkeley
2009	Research Assistant for Prof. Stefano DellaVigna	UC Berkeley
2008	Research Assistant for Prof. Ulrike Malmendier	UC Berkeley

TEACHING

2013	Instructor for Introduction to Investments (undergraduate)	MSU Finance
2010	Reader for Empirical Asset Pricing (Ph.D.)	UC Berkeley Haas
2008, 2009	Teaching Assistant for Financial Economics (undergraduate)	UC Berkeley Economics

PROFESSIONAL ACTIVITIES

Referee: Journal of Finance, Journal of the European Economic Association, Journal of Marketing Research, Review of Financial Studies

OTHER INFORMATION

Affiliations: American Economic Association; American Finance Association
Languages: English (Fluent); Chinese (Native)
Citizenship: China (U.S. Permanent Resident)