



Research

FBA

NEWSLETTER

26 Oct 2022

ISSUE 41

RESEARCH FOCUS

SPOTLIGHT

1 UM AND THREE WELL-KNOWN MAINLAND UNIVERSITIES JOINTLY ESTABLISH CHINA TOURISM EDUCATION ALLIANCE (中國旅遊教育合作聯盟)

Research

Business Engagement

The inauguration ceremony for the **China Tourism Education cum the Inaugural Frontiers in Hospitality and Tourism Annual Research Symposium** was held at the University of Macau on 21 October 2022. The alliance was jointly initiated and established by the **University of Macau, Fudan University, Nankai University, and Sun Yat-sen University** (sorted by the pinyin of the name of the universities). Combining both online and in-person elements, the symposium attracted over 250 participants.

At the ceremony, **Wai Nong LEI**, secretary for economy and finance of the Macao SAR, presented certificates to representatives of the four member departments of the alliance.

After the ceremony, the symposium began with a keynote speech titled 'The Development and Trend of Tourism+ in Macao' delivered by **Maria Helena de Senna FERNANDES**, director of the Macao Government Tourism Office. **DAI Bin**, president of the China Tourism Academy and **QIAN Jiannong**, global partner of Fosun as well as chairman and CEO of Fosun Tourism Group also gave keynote speeches to explore the development of 'Tourism+' in Macao and the positioning of the city as a world centre of tourism and leisure.

For more details, please visit: <https://fba.um.edu.mo/um-and-three-well-known-mainland-universities-jointly-establish-china-tourism-education-alliance/>



Wai Nong LEI presented certificates to representatives of the four member institutions of the alliance accompanied by UM Rector Yonghua SONG



Over 250 guests joined the Inaugural Frontiers in Hospitality and Tourism Annual Research Symposium



Maria Helena de Senna Fernandes delivered keynote speech titled 'The Development and Trend of Tourism+ in Macao'

PUBLICATION

1 RESEARCH PAPERS THAT RANKED ABS3 OR ABOVE

Zhu, J. N. Y., **Lam, L. W.**, Liu, Y., & Jiang, N. Performance Pressure and Employee Expediency: The Role of Moral Decoupling. *Journal of Business Ethics*. <https://doi.org/10.1007/s10551-022-05254-3> (FT50, ABS3)

Chark, R. (2022). Social disconnectedness moderates nostalgia preference [Article]. *International Journal of Hospitality Management*, 107, Article 103342. <https://doi.org/10.1016/j.ijhm.2022.103342> (ABS3)

Song, M. M., **Law, R.**, & Duan, Y. C. (2022). What are the obstacles in the way to "avoid landmines"? Influence of electronic word-of-mouth dispersion on order decision from the self-construal perspective. *International Journal of Hospitality Management*, 107, Article 103334. <https://doi.org/10.1016/j.ijhm.2022.103334> (ABS3)

Arjona-Fuentes, J. M., Radic, A., Ariza-Montes, A., Han, H., & **Law, R.** (2022). Fear and poor mental health among workers during the global cruise tourism crisis: Impact of low employability and family support. *International Journal of Hospitality Management*, 106, Article 103276. <https://doi.org/10.1016/j.ijhm.2022.103276> (ABS3)

Ye, S., Lei, S. I., Zhao, X. Y., Zhu, L., & **Law, R.** (2022) Modeling tourists' preference between hotels and peer-to-peer (P2P) sharing accommodation: a pre- and post-COVID-19 comparison. *International Journal of Contemporary Hospitality Management*. <https://doi.org/10.1108/ijchm-12-2021-1556> (ABS3)

Source: According to indexed dates, records are generated from Web of Science (WoS), Scopus, and the FBA full-time academic staff webpage as of 24 October 2022 and are listed in no particular order.



2 OTHER PUBLICATION

- **Henry Chun Kwok LEI**, “經濟前景論壇昨舉行 優化旅遊軟硬件 迎客臨門”, [澳門日報] 2022-09-28
- **Glenn James MCCARTNEY**, “Turismo na semana dourada suscita expectativas cautelosas”, [Jornal Tribuna de Macau] 2022-09-30
- **Henry Chun Kwok LEI**, “本地居民失業率5.5% 或再探頂”, [澳門日報] 2022-10-01
- **Matthew Ting Chi LIU**, “中小企善用網絡直播營銷帶貨”, [澳門日報] 2022-10-02
- **Matthew Ting Chi LIU**, “學者：加強專業與宣傳助增收”, [澳門日報] 2022-10-03
- **Matthew Ting Chi LIU**, “企業如何鼓勵員工開會說真話”, [澳門日報] 2022-10-09
- **Matthew Ting Chi LIU**, “學者：專業教練推廣運動科學”, [澳門日報] 2022-10-10
- **Matthew Ting Chi LIU**, “消除職場歧視 確保工作平權”, [澳門日報] 2022-10-16
- **Matthew Ting Chi LIU**, “學者：加強個性化體驗與推廣”, [澳門日報] 2022-10-17
- **Matthew Ting Chi LIU**, “學者：與機構合作推廣減支出”, [澳門日報] 2022-10-24

STORY OF THE ISSUE

1 HIGH QUALITY RESEARCH OUTPUT

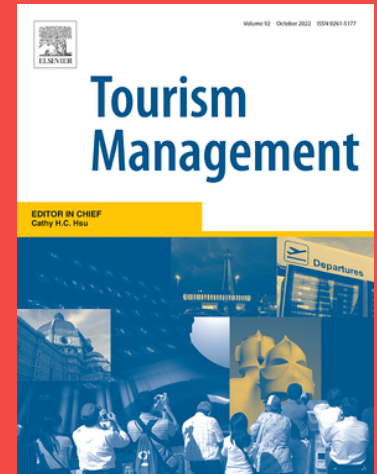
FBA encourages and supports high quality research. Our colleagues continue to publish their research in leading journals. We would like to share with you the following researchers who recently published ABS 4*/4 articles.

Prof. Rob LAW, UMDf Chair Professor of Smart Tourism and Chair Professor in the Department of Integrated Resort and Tourism Management, published an article entitled “Abroad-at-Home: Identifying domestic tourism locations for overseas-like travel experiences by leveraging concept modeling” in collaboration with **Prof. Huy Quan VU**, **Prof. BaoBao SONG** and **Prof. Gang LI**, in *Tourism Management* (ABS4).

Paper abstract:

Some countries have places with foreign-like scenery that attracts domestic visitors to enjoy overseas-like travel experiences. However, such overseas-like travel experiences have not been widely utilized for domestic tourism development. This is likely due to the lack of awareness among the scientific community and tools for effectively identifying such travel experiences. To address the related gaps and technical challenges, this paper investigates the potential of abroad-at-home as a type of domestic tourism for promoting domestic tourism. This paper also introduces a novel technique called concept modeling that identifies abroad-at-home travel experiences from travel photos taken within a country. A case study on a large-scale dataset of more than 265,000 geotagged travel photos taken in Australia demonstrated the effectiveness of this method. The proposed method and findings are valuable for tourism organizations that use abroad-at-home travel experiences for domestic tourism development.

For details: <https://doi.org/10.1016/j.tourman.2022.104645>



Tourism Management



Prof. Rob LAW

MEET OUR DBA/EMBA STUDENTS

The Doctor of Business Administration (DBA) programme and the Executive Master of Business Administration (EMBA) programme are executive degree programmes that aim to assist middle to senior business executives to strengthen their entrepreneurial and managerial capabilities. This section is dedicated to introduce outstanding students from these two programmes and share their stories with you.

1 STUDENT SHARING

Teaching and Learning

岳宗斌，現任澳門電力股份有限公司執行委員會首席顧問，澳門電機及電子工程師學會(IEEE Macau)會長，連任兩屆環境諮詢委員會成員，於2020年開始修讀澳門大學的工商管理博士（DBA）學位課程，希望通過澳門大學國際化的商科教育優勢，豐富理論知識的同時也能在優秀的同學中獲取實踐經驗，以便更高效地解決企業管理上的問題，致力在自己的領域追求卓越！

岳宗斌指出澳門是一個多元化的社會，不同背景的員工存在文化差異，在管理企業時會遇到各樣的管理問題，需要豐富的理論知識儲備去有效地幫助他為管理時遇到的問題尋找到適用的理論。而通過在澳門大學學習，他學習到各種商業和管理知識，開闊了他的視野，也讓他更能理解多元的文化，使他能有更全面及包容的思維方式。

他表示選擇澳門大學攻讀工商管理博士（DBA）學位課程的原因是澳門大學有著嚴謹的學術標準、豐富的師資和不同社會背景的優秀學員，這些商科教育優勢幫助培養出具國際視野的高端管理人才。澳門大學的國際化讓他能體驗並瞭解到多元文化，通過與不同背景的人打交道，碰撞出不同的思想，經驗和理論的對接產生出更多實踐知識和理論，達到協同效應。

Mr. Benjamin YUE, principal advisor to the Executive Committee of Companhia de Electricidade de Macau (CEM), decided to join the Doctor of Business Administration (DBA) programme, Faculty of Business Administration, University of Macau (UM) in 2020.

According to Benjamin, UM is a comprehensive public university in Macao characterised by its internationalisation and multiculturalism in addition to its rigorous academic standards, professional faculty and outstanding students from different backgrounds around the world. He hopes that through the diversified student profiles from different industries and backgrounds, he could exchange different ideas, experiences and get inspired on applying the knowledge and theories to achieve synergy effect.



Mr. Benjamin YUE,
FBA DBA student 2020 intake



UM FBA DBA Programme

NEWS

1 REGISTRATION FOR "2022 SME FORUM" IS NOW OPEN

Business Engagement

Research

The Department of Management and Marketing of FBA will be hosting the **2022 SME Forum** in FBA(E22) building on 5 November 2022. The SME forum was firstly launched in 2020 and the purpose of SME forum is to create a platform for owners of small- and medium-sized enterprises (SMEs) in Macao to exchange ideas with faculty members and executive students for a specific issue. The forum theme of this year is '**SME and Corporate Social Responsibility**'.

All academic staff, student, alumni and interested parties are welcome to join!

For more details, please visit: <https://go.um.edu.mo/m9bk0ruj>

2022 SME FORUM

SME AND CORPORATE SOCIAL RESPONSIBILITIES

Ms. Elaine Wong
General Manager, Fretlink Technology Company Limited
Topic: How Macau SMEs can fulfill their corporate social responsibilities?
Language: Cantonese

Mr. Chan Kam Tat
Founder and CEO, Healthy Life Pharmacy (Macao)
Topic: Saving money to become a social enterprise (taking Healthy Life Pharmacy Macau as an example)
Language: Cantonese

Date & Time
05/11/2022 (Saturday)
3:00-4:00p.m.

Venue
Room G010, Building E22
Faculty of Business Administration,
University of Macau

Registration
To register, please scan QR code or visit link: shorturl.at/bzCO2

2022 SME Forum is now open for registration



Prof. Yi DING

2 MEETING OUR NEW FACULTY MEMBER

Teaching and Learning

Research

Service

We are very glad to introduce our new faculty member - **Prof. Yi DING (丁一)**, Assistant Professor in Business Intelligence and Analytics, who recently joined the Department of Accounting and Information Management of the Faculty of Business Administration in October 2022.

Prof. DING received her PhD degree in Business Statistics from The Hong Kong University of Science and Technology. Prior to joining UM, she served at the Department of Applied Mathematics of the Hong Kong Polytechnic University as Research Assistant Professor from 2020 to 2022. Her areas of research interest include Financial technology, High-frequency financial big data, Financial econometrics, High-dimensional statistics, Statistical machine learning. She has published papers in some journals, such as Journal of Econometrics, Journal of the American Statistical Association, etc.

Let's welcome Prof. Yi DING and we highly appreciate your support to Prof. DING.

For more information of Prof. DING, please visit:
<https://fba.um.edu.mo/faculty/yiding/>

3

"FBA DISTINGUISHED SCHOLAR SEMINAR: INSIDE THE "BLACK BOX" OF CORPORATE ESG PRACTICE: FIELD EVIDENCE FROM CHINA"

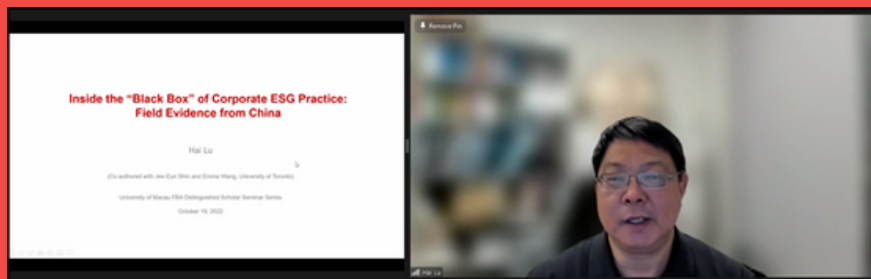
Teaching and Learning

Research

Service

The Business Research and Training Center (BRTC) held an online FBA Distinguished Scholar Seminar on "Inside the 'Black Box' of Corporate ESG Practice: Field Evidence from China" on 19 October 2022. **Prof. Hai LU**, a McCutcheon Professor in International Business and Professor of Accounting at the Rotman School of Management of the University of Toronto, delivered his talk and shared his insight on the integration and consideration of ESG-related issues into business operations. The argument that ESG investments may be associated with benefits to other stakeholders, potentially at the expense of shareholders. The study shows an inverse U-shaped relationship between a peer-based ESG impact measure derived from the survey responses and shareholder value in China. The findings provide the implications for academics, regulators, and practitioners in designing policies to enhance greater engagement on ESG-related issues in developing markets.

This seminar attracted more than 50 registered participants includes faculty members, master and doctoral students from various universities.



Prof. Hai LU shared his insight titled "Inside the "Black Box" of Corporate ESG Practice: Field Evidence from China" "

4

FBA SUCCESSFULLY HELD TWO FBA SEMINAR SERIES IN MANAGEMENT AND FINANCE AREA RESPECTIVELY

Teaching and Learning

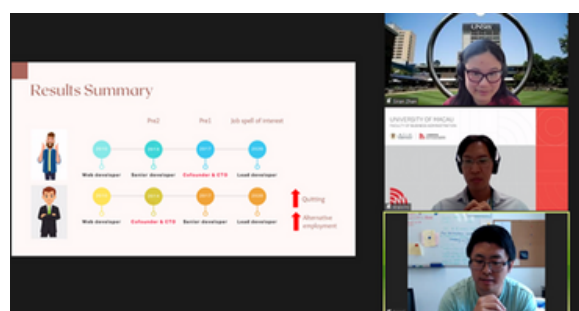
Research

Service

The University of Macau (UM) Faculty of Business Administration (FBA) successfully held two FBA Seminar Series 011 and 012 on 19 October 2022. The FBA Seminar Series 010: "There's no going back? A time-sensitive theory on the influence of entrepreneurial experience on voluntary turnover in subsequent wage employment" was hosted by **Prof. Kraivin CHINTAKANANDA**, Assistant Professor of Management of FBA and **Prof. by Dr. Siran ZHAN**, Senior Lecturer from the the University of New South Wales (UNSW) was invited to deliver the seminar and shared the important role of career timing in the relationship between entrepreneurial experience and post-entrepreneurship employment behaviors.



Dr. Siran ZHAN from the University of New South Wales (UNSW) and shared her insights and research Findings



Prof. Kraivin CHINTAKANANDA hosted the seminar and Q & A session

The FBA Seminar Series 012: “Responsible investing in the gaming industry” was hosted by **Prof. Endong YANG**, Assistant Professor of Finance of FBA and **Prof. Maggie FU**, Associate Professor of Finance of FBA was invited to deliver the seminar. Prof. Maggie FU’s paper has received First Prize in Paper from The 6th Macao Research in Humanities and Social Sciences. In the seminar, she shared her findings that the implementation of all four ESG-improving government initiatives leads to a significant increase in the institutional ownership of casino firms in general, demonstrating the presence and mechanism of responsible investing in the “sin” industries.



Prof. Maggie FU of FBA shared her insights and research Findings



FBA academic actively engaged with Prof. FU during the Q & A session

5

PROF. TIANYOU HU WAS INVITED TO SHARE HIS INSIGHTS AT THE WORKSHOP HOSTED BY PEKING UNIVERSITY

Teaching and Learning

Research

Prof. Tianyou HU, Assistant Professor in Management, was invited to share his working paper titled “Extradition Treaties and Chinese Firms’ FDI Location Choice” at an online workshop hosted by the National School of Development of Peking University on 21 October 2022. Prof. Hu presented his insights on the China’s international cooperation on extradition as influences on Chinese firms’ host country selection for Foreign Direct Investment (FDI).

北京大学国家发展研究院
National School of Development

管理學 WORKSHOP 2022

Extradition Treaties and Chinese Firms’ FDI Location Choice

10:30am 21/10/2022 承澤苑402

We examine China’s international cooperation on extradition as influences on Chinese firms’ host country selection for foreign direct investment (FDI). Although interstate cooperation is traditionally viewed as reducing knowledge-based uncertainty and facilitating cross-border investments, we contend that high-level interstate cooperation creates a risk in the cross-influence of institutions, which gives rise to firms’ concerns about security and cost when investing abroad. We focus on bilateral extradition cooperation which links the legal institutions of two countries and extends the influence of domestic jurisdiction from home to abroad. We hence propose that Chinese firms that aim to escape from China’s underdeveloped institutions should be less likely to enter host countries that have established extradition treaties with China. This negative impact of extradition treaties on FDI entry propensity could be lesser for Chinese state-owned enterprises because they decline to escape from domestic institutions. But the firms that have violated regulations in home country should respond to extradition treaties to a greater degree. We obtain empirical support for our hypotheses from a firm-level analysis on Chinese listed firms and their outward FDI in 106 foreign countries during 2001-2013.

主讲人

胡天佑博士
澳門大學工商管理學院
管理及市場學系助理教授

Dr. Tianyou Hu serves as Assistant Professor at Faculty of Business Administration of University of Macau. He obtained his Ph.D. degree from the NUS Business School of the National University of Singapore. He did his undergraduate study in the School of Foreign Languages of Peking University, along with a Dual Bachelor’s Degree in Economics from China Center for Economic Research (CCER) and an MBA from Guanghua Management School. Tianyou’s research interests span Strategic Management and International Business, focusing on topics of interfirm alliances and networks, and institutional environment and Foreign Direct Investment. Tianyou has published his work in Journal of International Business Studies, British Journal of Management, Management and Organization Review, etc.

6

PHD ORAL DEFENSE

Teaching and Learning

Research

Mr. Jianlun ZHANG has presented his PhD thesis on 13 October 2022 and, shortly, he will be conferred the Doctor of Philosophy degree. Mr. ZHANG, supervised by **Prof. Christine LIM** completed his oral defense with the title “Three Essays on Tourism and Hospitality Management”. Here is the brief background of his thesis and his experience in Faculty of Business Administration.

The study contains three independent studies with a special focus on food tourism and film tourism research. In study 1, there is a meta-analysis on the effects of cognitive food image and tourists' attitude toward local food on tourists' various aspects of intention related to local food. In study 2, it employs the Stimulus-Organism-Response (SOR) framework to investigate how cognitive food image indirectly affects tourists' intention to consume local food through desire and in study 3, an overall analysis of film-induced tourism demand analysis by examining the effect of income, prices and movies on international tourism demand.

During his five years at the Faculty of Business Administration, he has developed his research abilities and gained a very strong background in research and teaching. If he faces difficulties, he can always get help in the Faculty and learn from Professors about research and teaching skills.



Mr. Jianlun ZHANG (middle) has completed his PhD oral defense

UPCOMING EVENT

1 2022 SME FORUM

- Theme: SME and Corporate Social Responsibilities
- Speaker:
 - Ms. Elaine Wong, General Manager, Fnetlink Technology Company Limited
 - Topic: How Macau SMEs can fulfill their corporate social responsibilities?
 - Mr. Chan Kam Tat, Founder and CEO, Healthy Life Pharmacy Macau
 - Topic: Saving money to become a social enterprise (taking Health Life Pharmacy Macau as an example)
- Date: 5 November 2022 (Saturday)
- Time: 15:00
- Venue: E22-G010 Lecture Hall, Building E22 (Faculty of Business Administration), University of Macau
- Language: Cantonese
- Registration: <https://go.um.edu.mo/m9bk0ruj>

All academic staff, student, alumni and interested parties are welcome to join!



The poster for the 2022 SME Forum features a man in a green jacket standing next to a small tree growing from a stack of coins. The text on the poster includes the event title, speakers, topics, date, time, venue, and registration information.

2022 SME FORUM

SME AND CORPORATE SOCIAL RESPONSIBILITIES

Speaker
Ms. Elaine Wong
 General Manager, Fnetlink Technology Company Limited
 Topic: How Macau SMEs can fulfill their corporate social responsibilities?
 Language: Cantonese

Speaker
Mr. Chan Kam Tat
 Founder and CEO, Healthy Life Pharmacy (Macau)
 Topic: Saving money to become a social enterprise (taking Health Life Pharmacy Macau as an example)
 Language: Cantonese

Date & Time
 05/11/2022 (Saturday)
 3:00-4:00p.m.

Venue
 Room G010, Building E22
 Faculty of Business Administration,
 University of Macau

Registration
 To register, please scan QR code or visit link: [shorturl.at/bvCO2](https://go.um.edu.mo/m9bk0ruj)

FBA DISTINGUISHED SCHOLAR SEMINAR SERIES

工商管理學院 傑出學者研討會系列

Network Positions and Exporter Exit

09/11/2022 (Wed.)
3:00PM, Zoom

REGISTER



Language: English

Moderator:
Prof. Brenda Yang ZHANG
 Associate Professor
 in Business Economics, FBA, UIM



Professor Ziliang DENG

Abstract

Exporters are embedded in various international trade networks connecting products and countries. Will a strong network position reduce the likelihood of firm exit from the trade network? Drawing on social network theory, we hypothesize that the structural hole position and degree centrality position of the home country significantly reduce the exit likelihood of exporters from the international market. Using a large longitudinal dataset of Chinese manufacturing firms and their export records on each IIS 6-digit product as well as the worldwide data on bilateral trade flow of every 6-digit product, we find strong support for the above hypotheses.

This study contributes to the literature on market exit by addressing the under examined but important effect of product-country networks. This study offers rich implications for firms doing international business in the era featuring de-globalization and decoupling.

Ziliang Deng (PhD, University of Nottingham) is Professor and Associate Dean at Renmin Business School, Renmin University of China. His recent research has focused on corporate global strategies under uncertain environments.

He serves as an Associate Editor of *Journal of International Business Studies*, *Journal of Management Studies*, and *Journal of World Business*, among others. Professor Deng was the recipient of Research Excellence Award of National Natural Science Foundation of China, Ministry of Education of China, and consulting projects funded by other ministries and corporations.

His works have appeared in *Journal of International Business Studies*, *Journal of Management Studies*, and *Journal of World Business*, among others. Professor Deng was the recipient of Research Excellence Award of National Natural Science Foundation of China, Ministry of Education of China, and consulting projects funded by other ministries and corporations.

2 FBA DISTINGUISHED SCHOLAR SEMINAR

- Topic: Network Positions and Exporter Exit
- Speaker: Prof. Ziliang DENG
- Date: 9 November 2022 (Wednesday)
- Time: 15:00
- Format: Online via Zoom
- Language: English
- Registration: <https://go.um.edu.mo/wuljyw9r>

All academic staff, student, alumni and interested parties are welcome to join!

For more details, please visit: <https://fba.um.edu.mo/zh-hant/fba-distinguished-scholar-seminar-network-positions-and-exporter-exit-by-prof-ziliang-deng/>

3 FBA SEMINAR SERIES 015

- Topic: Abusive CEOs Kill Firm Innovation in Turbulent Environment: A Moderated Mediation Model of the CEO-TMT Interface
- Speaker: Prof. Ho Kwong (Michael) KWAN, Associate Professor of Management, China Europe International Business School
- Date: 9 November 2022 (Wednesday)
- Time: 10:30 - 11:30
- Format: Online via Zoom
- Language: English
- Registration:
https://umac.au1.qualtrics.com/jfe/form/SV_bBZA3t5ZeSrLv5c

All academic staff, student, alumni and interested parties are welcome to join!

For more details, please visit: <https://fba.um.edu.mo/fba-seminar-series-015/>



FBA SEMINAR SERIES
- 015

Abusive CEOs Kill Firm Innovation in Turbulent Environment: A Moderated Mediation Model of the CEO-TMT Interface

Prof. Ho Kwong (Michael) KWAN
Associate Professor of Management
China Europe International Business School

Date: 9 November 2022 (Wednesday)
Time: 10:30am - 11:30am
Venue: Online via Zoom
Host: Prof. Raymond LOI, Professor in Management
Online registration: https://umac.au1.qualtrics.com/jfe/form/SV_bBZA3t5ZeSrLv5c

Register Now!

Abstract

In interactions with the top management team (TMT), abusive chief executive officers (CEOs) may influence performance outcomes. With three-wave, multisource data from Chinese firms in various high-tech industries, this study reveals that abusive CEOs limit firm innovation by impairing the TMT's collective organizational engagement in risk-taking activities such as innovation. Environmental uncertainty strengthens this negative relationship between CEO abusive behavior and TMT collective organizational engagement, as well as the mediating effect of TMT collective organizational engagement on the relationship between CEO abusiveness and firm innovation. These results provide new directions for understanding the CEO-TMT interface, as well as novel practical implications.

Speaker

Prof. Ho Kwong KWAN is an Associate Professor of Management in the Organizational Behavior and Human Resource Management Department at China Europe International Business School (CEIBS). He received PhD from Drexel University. He has published over 90 articles in journals such as Academy of Management Journal, Journal of Applied Psychology, Journal of Management, Journal of Management Studies, Organizational Behavior and Human Decision Processes, and Personnel Psychology. His scholarly works have been impactful with over 6,300 Google Scholar citations and have won the honor of one of the 2021 World's Most Cited Chinese Researchers, released by the authoritative data analysis platform Scopus. He was a speaker of TEDxShenzhen and a recipient of the research awards from AOM and SIOP and the teaching awards from Drexel University and The Shanghai University of Finance and Economics. His policy recommendations on promoting the high-quality development of entrepreneurship of returned rural migrant workers received special attention from authorities concerned. He is currently a Senior Editor for Asia Pacific Journal of Management, an Editorial Review Board Member for Human Resource Management, Human Relations, Journal of Vocational Behavior, and Management and Organization Review, and a Board Representative for Asia Academy of Management.

All are welcome!



FBA SEMINAR SERIES
- 016

Closing Pressure, Predatory Trading, and the Negative Price of Oil

Prof. Wenjin KANG
Professor in Finance
Faculty of Business Administration
University of Macau

Date: 9 November 2022 (Wednesday)
Time: 3:00pm - 4:00pm
Venue: E22-G010
Host: Prof. Endong YANG, Assistant Professor in Finance
Online registration: https://umac.au1.qualtrics.com/jfe/form/SV_7ZZLy0sYfzhRrs2

Register Now!

Abstract

This paper examines the contribution of closing pressure and predatory trading to the formation of the negative settlement price of NYMEX West Texas Intermediate (WTI) Crude Oil futures on April 20, 2020. We construct a theoretical model and show that the eagerness to close long positions, namely, the closing pressure, pushes down the WTI price. Empirical tests confirm this negative price effect of closing pressure, but it is estimated to bring the price down to only approximately 3 dollars. An extended model with the Trading at Settlement (TAS) market further suggests that predatory trading greatly drags down the daily settlement price, and the price is simulated to be lower than -30 dollars. Overall, closing pressure and predatory trading together contribute to the negative price of oil.

Speaker

Prof. Wenjin KANG is Professor in Finance at Faculty of Business Administration, in University of Macau. He received his Ph.D. in Management from UCLA Anderson School of Management. His research expertise is mainly in asset pricing. He has published multiple papers about the pricing and determinants of liquidity, commodity markets, and the performance of factor strategies in prestigious finance top journals such as Journal of Finance and Journal of Financial Economics. His research work has received more than 1500 Google scholar citations.

All are welcome!

4 FBA SEMINAR SERIES 016

- Topic: Closing Pressure, Predatory Trading, and the Negative Price of Oil
- Speaker: Prof. Wenjin KANG, Professor in Finance, Faculty of Business Administration, University of Macau
- Date: 9 November 2022 (Wednesday)
- Time: 15:00 - 16:00
- Venue: E22-G010
- Language: English
- Registration:
https://umac.au1.qualtrics.com/jfe/form/SV_7ZZLy0sYfzhRrs2

All academic staff, student, alumni and interested parties are welcome to join!

For more details, please visit: <https://fba.um.edu.mo/fba-seminar-series-016/>