



# NEWSLETTER

8 Nov 2023

ISSUE 90

INDUSTRY FOCUS

## NEWS

### 1 2023 GUANGDONG-HONG KONG-MACAO GREATER BAY AREA PAY AND BENEFITS SURVEY (粵港澳大灣區薪酬及福利調查)

Teaching and Learning

Service

The 2023 Guangdong-Hong Kong-Macao Greater Bay Area Pay and Benefits Survey (粵港澳大灣區薪酬及福利調查) Results Presentation and Press Conference (Macau) was held on October 25 2023 in the Faculty of Business Administration building in the University of Macau. University of Macau joined the Guangdong-Hong Kong-Macao Greater Bay Area Annual Pay and Benefits Survey as a supporting unit in 2022 and as a co-organizer unit in 2023. It is expected that the annual survey project will serve to inform the pay and benefits research and practices in the Greater Bay Area.

The event began with a welcome speech by **Prof. Jacky HONG (洪福來教授)**, Head of the Department of Management and Marketing. Representatives of three other organizer and co-organizer units of the survey project (Hong Kong Baptist University, Hong Kong People Management Association, and Macau Greater Bay Area Human Resources Association) then presented the survey results, which was followed by a guest speech on pay and benefits management delivered by Mr. Keith LEI, Senior Vice President of Human Resources and Sustainability (MGM). More than 40 FBA faculty members and students also attended the meeting.

For more details, please visit: <https://fba.um.edu.mo/2023-guangdong-hong-kong-macao-greater-bay-area-pay-and-benefits-survey/>



Kick off the Guangdong-Hong Kong-Macao Greater Bay Area Annual Pay and Benefits Survey Result Presentation and Press Conference



Group photo

## 2 UM TEACHING EXCELLENCE AWARD RECIPIENT PROF. FIONA YANG GAVE A TALK ON EVOLUTION OF TEACHING PHILOSOPHY

Teaching and Learning

Service

The University of Macau (UM) held the UM Teaching Excellence Award Seminar on 1st November. **Prof. Fiona YANG (楊曦教授)**, assistant professor in the Department of Integrated Resort and Tourism Management of the Faculty of Business Administration and the recipient of the UM Teaching Excellence Award for the 2022/2023 academic year, gave a talk titled 'From Product Management to Experience Management: The Evolution of My Teaching Philosophy'.

In his speech, **Vice Rector Prof. Michael HUI (許敬文教授)** said that UM attaches great importance to its teaching quality and student learning experience. The Teaching Excellence Award is presented annually to a faculty member who demonstrates outstanding teaching performance. During the talk, Prof. YANG shared her insights into the evolution of her teaching philosophy, which is shaped by the dynamic shifts in the educational landscape and the influence of the current digital era. She summarized her teaching philosophy as 'experience management', a key concept originating from the service industry, and shared how she enhances teaching quality and student learning experience through various innovative teaching approaches. Prof. YANG also actively engaged with the audience during the Q&A and discussion session.

For more details, please visit: <https://www.um.edu.mo/news-and-press-releases/press-release/detail/56962/>



Prof. Michael HUI



Prof. Fiona YANG



Professional Training on International Financial Reporting Standards (IFRS) class



Prof. Feng TANG



Mr. Derek CHAN

## 3 THE FBA-BRTC ORGANIZES THE 4TH PROFESSIONAL TRAINING ON INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) FOR THE PROFESSIONAL COMMITTEE OF ACCOUNTANTS OF MACAU

Teaching and Learning

Business Engagement

The Business Research and Training Center (BRTC) of the Faculty of Business Administration (FBA), University of Macau (UM) has successfully completed the 4th batch of International Financial Reporting Standards (IFRS) professional training, which took place over four consecutive weekends in October and November of 2023 at the university campus.

This latest series focused on two standards relating to Financial Instruments (IFRS7 and IFRS9). The lectures dived deep into the concepts and treatment of Recognition and Measurement, Impairment, Hedge Accounting and Disclosures. The series has attracted around 60 registrations, consisting of senior auditors and partners from Big 4 and other local accounting firms, financial analysts and top executives from financial institutions and manufacturing sector, as well as practitioners from the public, utilities and gaming sectors.

For more details, please visit: <https://fba.um.edu.mo/brtc-4th-professional-training/>





Prof. Glenn MCCARTNEY

4

## "MACAU'S MEDICAL TOURISM PITCH POTENTIAL" BY PROF. GLENN MCCARTNEY AND MSC IN IIRM STUDENT INK WANG, MACAU BUSINESS

Business Engagement

Service

**Prof. Glenn MCCARTNEY**, Associate Dean (Curriculum and Teaching) and Associate Professor in Integrated Resort and Tourism Management and MSc in IIRM student **Ink WANG (汪楚風)** were invited to share their opinions in the article entitled "Macau's medical tourism pitch potential" at P. 74 & 75 on Macau Business November issue 2023.

Article sharing:

High-end medical tourism has been put forward to develop and promote Macau. It was officially embedded as government policy in the city's "Second Five-Year Plan" in 2021. Much has been discussed on the prospects and challenges in promoting "medical+tourism" in Macau. As a niche tourism sector. There are obstacles to address, chief amongst these is combining and reaching consensus between the medical and hospitality professions and required resources.

For more details, please visit: <https://www.macaubusiness.com/magazine/macau-business-magazine-november-2023/> (P. 74 & 75)

5

## "APPLYING TWO APPROACHES TO EXPAND TWO DIFFERENT MARKETS" (以兩種方案爭取不同市場) BY PROF. MATTHEW LIU, MACAO DAILY

Business Engagement

Service

**Prof. Matthew LIU (劉丁己教授)**, Director of Centre for Continuing Education, Director of Business Research Training Center and Professor of Marketing, shared his opinion entitled "Empathizing featured products to win larger markets" at Macao Daily on 16 October 2023.

Article sharing:

澳門大學工商管理學院教授劉丁己建議：

一、對一般用戶推出標準化套餐方案：這類套餐通常有“價格實惠、快速安裝、信心保證、定期保修”等特色，以固定數款基本設備（如電子門鎖、智能聲控燈光與自動感應燈光、電動窗簾，有些還加上智能開關、智能監控攝像頭等）計價，簡單易懂，薄利多銷，先以入門款標準化方案，讓澳門業主體驗智能家居的好處和便利，有助打開市場。

二、對商業用戶、團體用戶與高端居家推出訂製方案：除一般居家客戶外，建議可針對商業用戶、社團、學校、屋苑管委會、與個別高端居家用戶，根據需求推出訂製化方案。

For more details, please visit: [http://www.macaodaily.com/html/2023-10/16/content\\_1708055.htm](http://www.macaodaily.com/html/2023-10/16/content_1708055.htm)



Prof. Matthew LIU



6

“DRIVING TOURISM DEMAND BY DIVERSIFYING THE SECTOR'S OFFER” BY PROF. RICARDO SIU, MACAU BUSINESS

Business Engagement

Service

**Prof. Ricardo SIU (蕭志成教授)**, Associate Professor in Business Economics, was invited to share his research findings in the article entitled “Driving tourism demand by diversifying the sector's offer” at P. 76 on Macau Business November issue 2023.

Article sharing:

Prof. Siu and Prof. U of IFTM argued that a successful tourism diversification strategy required “coherent, multi-sectoral coordination” involving industry operators, the government, and the local community to find the right product balance for the destination. “Practical strategies for developing a competitive tourism destination should be integrated into a larger project aimed at improving the tourism product structure at both the macro and micro levels, they wrote.

For more details, please visit:

<https://www.macaubusiness.com/magazine/macau-business-magazine-november-2023/> (P. 76)

7

“STRONG EXTERNAL DEMAND, TOURISM PRICE INDEX ROSE 22% LAST QUARTER” (外需強勁 上季旅遊價指升22%) INTERVIEW WITH PROF. HENRY LEI, MACAO NEWS

Business Engagement

Service

**Prof. Henry LEI (李振國教授)**, Associate Head of Department of Finance and Business Economics and Associate Professor in Business Economics, was invited to share his opinion in the article entitled “There are new income limits for affordable housing” at Macao News on 14 October 2023.

Article sharing:

澳門大學工商管理學院副教授李振國指出，去年同期基數較低，故數據顯著反彈。今年以來旅遊復甦勢頭強勁，以“十·一”黃金周為例，客量迫近疫前，住宿、手信、娛樂表演均取消折扣優惠，基本需以原價購買產品和服務，在大量旅客訪澳下，物價上升是預期之內，難以避免。

近水樓台抵物價貴

至於旅遊物價上升會否影響澳門作為旅遊城市的競爭力？他稱，現時內地旅客訪澳已無分淡旺季，是以短線遊為主。澳門地理位置優越，不少旅客以澳門作為出境遊首選，甚至以澳門替代歐美遊遠程線路。澳門雖然物價貴，但總體可控，由於距離近，更可省下交通費用、時間。

For more details, please visit: [http://www.macaodaily.com/html/2023-10/14/content\\_1707650.htm](http://www.macaodaily.com/html/2023-10/14/content_1707650.htm)



Prof. Henry LEI

8

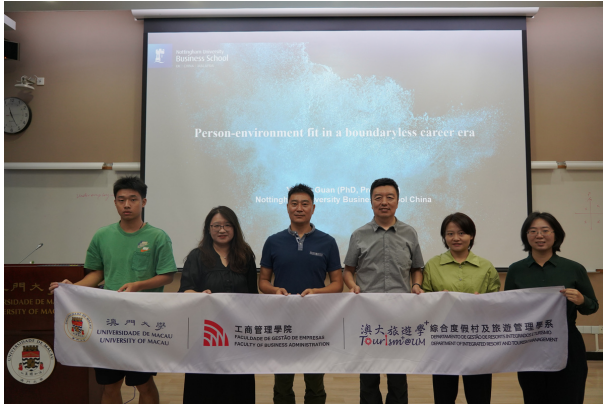
## FBA SUCCESSFULLY HELD TWO FBA SEMINAR SERIES IN INTERNATIONAL INTEGRATED RESORT MANAGEMENT AND BUSINESS ECONOMICS

Teaching and Learning

Research

Service

The Faculty of Business Administration (FBA) of the University of Macau (UM) successfully held the FBA Seminar 077 and 078 on 03 Nov 2023.



The FBA Seminar Series 077: **Prof. Yuansi HOU** (侯遠思教授) hosted the seminar delivered by **Prof. Yanjun GUAN** (管延軍教授), Professor, Nottingham University Business School China, Ningbo.



**Prof. Yanjun GUAN** (管延軍教授) presented his study "Emerging Issues in Person-Environment Fit and Human Resource Management in the Tourism Sector".



The FBA Seminar Series 078: **Prof. Brenda ZHANG** (張洋教授) hosted the seminar delivered by **Prof. Chia Wai Mun**, Associate Professor, Nanyang Technological University.



**Prof. Chia Wai Mun** presented her study "Willingness-to-pay for a Haze Adaptation Programme and a Haze Eradication Programme in Singapore: The 2015 Transboundary Haze"



# UPCOMING EVENT



**FBA SEMINAR SERIES**  
- 079

**FBA SEMINAR SERIES**  
Information Technology Sociology & Research Implications in Tourism & Hospitality

**Prof. Dan WANG**  
Associate Professor  
The Hong Kong Polytechnic University  
Date: 09 November 2023 (Thursday)  
Time: 3:30 pm to 4:30 pm  
Venue: E22-G015  
Host: Prof. Soey LEI, Assistant Professor in Integrated Resort and Tourism Management  
Online Registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_6VqUq1gnJsARVDE](https://umac.au1.qualtrics.com/jfe/form/SV_6VqUq1gnJsARVDE)

**Abstract**  
The integration of information technology and sociology in tourism and hospitality research has brought about a significant shift in the way researchers approach the study of digital platforms and social media's impact on traveler behavior and industry dynamics. This interdisciplinary approach allows for a deeper analysis of how technology influences every aspect of consumer decision-making processes, from trip planning to destination selection. Furthermore, it enables scholars to delve into the intricate role that social media plays in shaping tourists' perceptions and overall experiences, ultimately influencing destination marketing strategies. By embracing an information technology sociology perspective, researchers are granted invaluable insights into the complex relationship between society, technology, and the tourism & hospitality industry as a whole. As a result, future policy-making efforts can be more well-informed while strategic decisions within this sector become increasingly refined. In light of these developments, this seminar aims to introduce participants to information technology sociology principles through various illuminating studies conducted within this field.

**Register Now!**  


**Deadline: 07/11/2023**  
The registered audience will be notified of more detailed information via email.

**Speaker**  
Dr. Dan Wang is currently an Associate Professor in the School of Hotel & Tourism Management, The Hong Kong Polytechnic University. Her research focuses on the impact of mobile Internet on tourists and organizations in tourism and hospitality fields, information technology-based service innovation, and IT strategy in hospitality firms. Dr. Dan Wang currently serves as an associate editor for Annals of Tourism Research and on the editorial board of multiple top-tier academic journals such as the Journal of Travel Research and Tourism Management. Dr. Dan Wang began her career in academia as a part-time instructor of Tourism and Hospitality Management at Temple University in the United States in 2010, and she moved to the Hong Kong Polytechnic University in 2012.

All are welcome!

## 1 FBA SEMINAR SERIES 079

- Topic: Information Technology Sociology & Research Implications in Tourism & Hospitality
- Speaker: Prof. Dan WANG, Associate Professor, The Hong Kong Polytechnic University
- Date: 9 November 2023 (Thursday)
- Time: 15:00 to 16:30
- Venue: E22-G015
- Host: Prof. Soey LEI, Assistant Professor in Integrated Resort and Tourism Management
- Online Registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_6VqUq1gnJsARVDE](https://umac.au1.qualtrics.com/jfe/form/SV_6VqUq1gnJsARVDE)

All academic staff, students, and interest parties are welcome to join!

For more details, please visit:

<https://fba.um.edu.mo/fba-seminar-series-079/>

## 2 FBA SEMINAR SERIES 080

- Topic: On the Design of Service platform: pricing, delay promise, and information
- Speakers: Prof. Li XIAO, Assistant Professor, Tsinghua-Berkeley Shenzhen Institute (Tsinghua University)
- Date: 10 November 2023 (Friday)
- Time: 10:00 am to 11:30 am
- Venue: E22-G015
- Host: Prof. Yan LIN, Assistant Professor in Business Intelligence and Analytics
- Online registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_b8dPKZqsKdzlZBA](https://umac.au1.qualtrics.com/jfe/form/SV_b8dPKZqsKdzlZBA)

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

For more details, please visit:

<https://fba.um.edu.mo/fba-seminar-series-080/>



**FBA SEMINAR SERIES**  
- 080

**FBA SEMINAR SERIES**  
On the Design of Service platform: pricing, delay promise, and information

**Prof. LI XIAO**  
Assistant Professor  
Tsinghua-Berkeley Shenzhen Institute (Tsinghua University)  
Date: 10 November 2023 (Friday)  
Time: 10:00 am to 11:30 am  
Venue: E22-G015  
Host: Prof. Yan LIN, Assistant Professor in Business Intelligence and Analytics  
Online Registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_b8dPKZqsKdzlZBA](https://umac.au1.qualtrics.com/jfe/form/SV_b8dPKZqsKdzlZBA)

**Abstract**  
Service platforms often operate a "virtual queue". Customers are heterogeneous in their willingness to wait and do not observe their position in the queue. To take advantage of this heterogeneity, the service provider (SP) often provides waiting time information (WTI) to each arriving customer, who then decides whether or not to join the service. One of the common practices adopted by many service platforms is to disclose the average waiting time. However, as suggested by empirical studies and anecdotal evidence, this strategy may not be efficient for an SP. This paper considers the joint pricing and information disclosure problem for an SP within the framework of a virtual queue. We first characterize the joint optimal pricing and information disclosing policy, and then examine the impact of information disclosure on the pricing and profit of the SP. We show that adding noise to the WTI disclosure is a powerful instrument to improve the SP's revenue by as much as 50%, when the service value is low and the congestion level is high. However, the SP has no incentive to add noise when the service value is high and congestion is low. We further show that these managerial insights carry over to general settings such as the number of servers or the service rate can be endogenously determined by the SP. Overall, our findings provide useful guidance to service platforms on the integrated design of pricing, information disclosure, and service configuration.

**Register Now!**  


**Deadline: 08/11/2023**  
The registered audience will be notified of more detailed information via email.

**Speaker**  
LI XIAO is an assistant professor at the Data Science and Information Technology Center and Tsinghua-Berkeley Shenzhen Institute (Tsinghua University) since 2017. Prior to this, she worked as a post-doc fellow and Research Assistant Professor at CUHK Business School from 2015 to 2017. She obtained her Ph.D. degree in 2015 from the Department of Analytics and Operations at the Business School of National University of Singapore. Her research interests include the application of analytics across various domains (i.e., analytics in supply chain, stochastic service systems, and other data-intensive areas). She has published nine articles in management and analytics related journals (three of them are published in UTJ journals), including two articles in Operations Research (UTJ, FTJ), MISQ, and one article in Production and Operations Management (UTJ, FTJ, MISQ). She has served as the Principal Investigator of two grants from National Natural Science Foundation of China. She taught "Decision modeling and analytics" at CUHK Business School and supply chain related courses at Tsinghua.

All are welcome!




UNIVERSITY OF MACAU  
FACULTY OF BUSINESS ADMINISTRATION

**FBA SEMINAR SERIES**  
- 081

**FBA SEMINAR SERIES**

**Flying too close to the Sun – The effect of Federal Reserve rate disclosure on analyst forecasts**



**Prof. Wen LIN**  
Assistant Professor  
Central University of Finance and Economics

Date: 10 November 2023 (Friday)  
Time: 2:30 pm to 4:00 pm  
Venue: E22-G015

Host: Prof. Duncan LIU, Assistant Professor in Accounting  
Online registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_9AeJZMgPPazhl](https://umac.au1.qualtrics.com/jfe/form/SV_9AeJZMgPPazhl)

**Abstract**

We propose that the Federal Reserve's (FED) central position in the economy results in analysts' overweighting FED's disclosure, which results in optimistic and inaccurate forecasts. Using the Federal Open Market Committee (FOMC) meetings to identify disclosures of the federal fund rate, a major monetary policy mechanism, we confirm that analysts overreact to unexpected rate news. Overreaction varies with the (i) sophistication of analysts, (ii) analyst distraction, (iii) direction of the rate surprise, and (iv) is higher for firms where the sensitivity of earnings to rate changes is more difficult to assess. Higher forecast optimism results in less accurate analyst consensus forecast distorting earnings benchmarks used in evaluating quarterly earnings announcements. The result contrasts the earlier evidence that analysts underreact to macroeconomic surprises (Hugon, Kumar and Lin 2016). The findings suggest the dominant position of the FED in the economy distorts how sophisticated market participants incorporate monetary policy disclosure.

**Speaker**

Wen Lin is an Assistant professor in accounting at the Central University of Finance and Economics, China. She earned a PhD in Accounting and Finance from Lancaster University Management School. She focuses on empirical research to explore the effects of financial reporting on business decisions. She is also interested in the economic consequences of mandatory and voluntary disclosure by both public and private firms. She has published in leading accounting journals such as *Review of Accounting Studies*.

**All are welcome!**

**Register Now!**



**Deadline: 08/11/2023**  
The registered audience will be notified of more detailed information via email.

### 3 FBA SEMINAR SERIES 081

- Topic: Flying too close to the Sun – The effect of Federal Reserve rate disclosure on analyst forecasts
- Speakers: Prof. Wen LIN, Assistant Professor, Central University of Finance and Economics
- Date: 10 November 2023 (Friday)
- Time: 2:30 pm to 4:00 pm
- Venue: E22-G015
- Host: Prof. Duncan LIU, Assistant Professor in Accounting
- Online registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_9AeJZMgPPazhl](https://umac.au1.qualtrics.com/jfe/form/SV_9AeJZMgPPazhl)

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

For more details, please visit:

<https://fba.um.edu.mo/fba-seminar-series-081/>

### 4 FBA SEMINAR SERIES 082

- Topic: Conflict and Consumer Behavior
- Speaker: Prof. Hao SHEN, Professor, The Chinese University of Hong Kong
- Date: 13 November 2023 (Monday)
- Time: 10:30 am to 12:00 pm
- Venue: E22-G015
- Host: Prof. Chanthika PORNPITAKPAN, Associate Professor in Management
- Online registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_3EjPy1UjK3NcaIS](https://umac.au1.qualtrics.com/jfe/form/SV_3EjPy1UjK3NcaIS)

All academic staff, students, and interest parties are welcome to join!

For more details, please visit:

<https://fba.um.edu.mo/fba-seminar-series-082/>




UNIVERSITY OF MACAU  
FACULTY OF BUSINESS ADMINISTRATION

**FBA SEMINAR SERIES**  
- 082

**FBA SEMINAR SERIES**  
**Conflict and Consumer Behavior**



**Prof. Hao SHEN**  
Professor of Marketing  
The Chinese University of Hong Kong

Date: 13 November 2023 (Monday)  
Time: 10:30 am to 12:00 pm  
Venue: E22-G015

Host: Prof. Chanthika PORNPITAKPAN, Associate Professor of Management  
Online registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_3EjPy1UjK3NcaIS](https://umac.au1.qualtrics.com/jfe/form/SV_3EjPy1UjK3NcaIS)

**Abstract**

Two projects examine the role of conflict in consumer behavior. In the first project, we observed that exposure to word-of-mouth reviews featuring a high (versus low) degree of conflict induces consumers to engage in a defense of their pre-existing attitudes towards the brand, because of the activation of a brand-based social identity. In addition, exposure to conflicting reviews may even enhance recipients' inclination to actively engage in reviewing the brand themselves, and, consequently, participate in such conflicts. In the second project, we discuss one method to reduce conflict between men and women. That is, simply inducing men to use a pink-colored product enables them to take on a female perspective. Further, we contend that by enabling perspective-taking, such product usage causes them to empathize with women, motivating them to support women's causes in general.

**Speaker**

Professor Hao Shen received a PhD from Hong Kong University of Science and Technology and is currently Professor of Marketing at The Chinese University of Hong Kong. He was named Marketing Science Institute young scholar in 2015. His research has been published in prestigious journals such as:

- *Journal of Consumer Research*,
- *Journal of Marketing Research*,
- *Journal of Consumer Psychology*,
- *Journal of Experimental Psychology* (Applied),
- *Journal of Experimental Social Psychology*, and
- *Journal of Personality and Social Psychology*.

Professor Hao Shen is on the editorial review boards of *Journal of Consumer Research*, *Journal of Consumer Psychology*, *Journal of Retailing*, as well as *Marketing Letters*.

**All are welcome!**

**Register Now!**



**Deadline: 10/11/2023**  
The registered audience will be notified of more detailed information via email.

5

## FBA SALON SERIES ON FINTECH AND FINANCIAL MARKETS 011

- Topic: Impact of Demand Shocks on the Stock Market: Evidence from Chinese IPO
- Speaker: Prof. Jennifer Li, Assistant Professor of Finance FBA, UM
- Date: 15 November 2023 (Wednesday)
- Time: 13:00 to 14:00 pm
- Venue: FBA Lobby
- Moderator: Prof. Rachel Xiaorong MA, Assistant Professor of Finance

All academic staff, students, and interest parties are welcome to join!

For more details, please visit:

<https://fba.um.edu.mo/fba-salon-series-on-fintech-and-financial-markets-011/>



**FBA**  
Salon Series on  
Fintech and  
Financial Markets

**Impact of Demand Shocks on the Stock Market:  
Evidence from Chinese IPO**

Prof. Jennifer Li  
Assistant Professor of Finance  
FBA, UM

Date: 15 November 2023 (Wednesday)  
Time: 13:00 to 14:00 pm  
Venue: FBA Lobby  
Moderator: Prof. Rachel Xiaorong MA, Assistant Professor of Finance

**Abstract**

We exploit demand shocks created as investor funds are frozen and unfrozen during Chinese IPOs to estimate their impact on the aggregate Chinese stock market. Using brokerage account records, we observe the selling and buying as investors raise cash to subscribe for IPOs and then reinvest the funds that supported unsuccessful subscriptions. Using an instrumental variables estimator, we find that flows have large price impacts, with a 10 bps demand shock increasing the aggregate market level by approximately 40 bps. Our estimates are inconsistent with most rational and behavioral models, but consistent with the recent inelastic markets hypothesis.

**Speaker**

Dr. Jennifer Li received her Ph.D in Finance from INSEAD. Prior to joining UM, She had worked as an Assistant Professor of Finance at Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University. Jennifer's research focuses on empirical asset pricing, behavioral finance, mutual funds, financial intermediation, retail investors and institutional investors. Jennifer has published papers in Journal of Financial Economics, and China Journal of Economics.

**All are welcome!**

澳門大學工商管理學院金融科技與金融市場學術沙龍論壇  
UM FBA Fintech and Financial Markets Academic Salon Forum

www.fba.um.edu.mo



**FBA**  
SEMINAR SERIES  
- 083

**FBA SEMINAR SERIES**  
**Growing the Efficient Frontier on Panel Trees**  
(joint with Will Cong, Jingyu He, and Xin He)

Prof. Gavin, Guanhao FENG  
Assistant Professor of Business Statistics  
City University of Hong Kong  
Date: 17 November 2023 (Friday)  
Time: 10:30 am to 12:00 pm  
Venue: E22-G015  
Host: Prof. Yi DING, Assistant Professor in Business Intelligence and Analytics  
Online registration: [https://umac.au1.qualtrics.com/jfe/form/SV\\_aftnv5qvqZBFa7k](https://umac.au1.qualtrics.com/jfe/form/SV_aftnv5qvqZBFa7k)

**Abstract**

We develop a new class of tree-based models (P-Trees) for analyzing (unbalanced) panel data using economically guided, global (instead of local) split criteria that guard against overfitting while preserving interpretability. To generalize security sorting and better estimate the efficient frontier, we grow a P-Tree top-down to split the cross section of asset returns to construct stochastic discount factors and test assets under the MVE framework, visualizing (asymmetric) nonlinear interactions among firm characteristics (and with macroeconomic states). When applied to U.S. equities and especially when boosted, P-Trees significantly advance the efficient frontier relative to those constructed with established factors and common test assets. Diversified P-Tree test portfolios exhibit significant unexplained alphas against benchmark factor models. P-Trees also outperforms most known observable and latent factor models in pricing cross-sectional returns, delivering transparent trading strategies, and generating risk-adjusted investment outcomes. Beyond asset pricing, our framework offers a more interpretable and computationally efficient alternative to recent machine learning and AI models for analyzing panel data through goal-oriented, high-dimensional clustering.

**Speaker**

Guanhao (Gavin) Feng is an assistant professor of business statistics at the City University of Hong Kong. He is also the program leader of MSc. in Business Data Analytics, a faculty affiliate at the School of Data Science, and a scientist in the Lab for AI-Powered FinTech. Gavin's research publications have appeared in the Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Econometrics, and International Economic Review. Gavin obtained his Ph.D. and MBA from the University of Chicago in 2017. His research interests include Bayesian statistics, empirical asset pricing, machine learning in finance, and time-varying econometrics.

**Register Now!**

**Deadline: 15/11/2023**  
The registered audience will be notified if more detailed information via email.

**All are welcome!**

6

## FBA SEMINAR SERIES 083

- Topic: Growing the Efficient Frontier on Panel Trees
- Speaker: Prof. Gavin, Guanhao FENG, Assistant Professor of Business Statistics, City University of Hong Kong
- Date: 17 November 2023 (Friday)
- Time: 10:30 am to 12:00 pm
- Venue: E22-G015
- Host: Prof. Yi DING, Assistant Professor in Business Intelligence and Analytics
- Online registration:  
[https://umac.au1.qualtrics.com/jfe/form/SV\\_aftnv5qvqZBFa7k](https://umac.au1.qualtrics.com/jfe/form/SV_aftnv5qvqZBFa7k)

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

For more details, please visit:

<https://fba.um.edu.mo/fba-seminar-series-083/>