

9th VIETNAM INTERNATIONAL CONFERENCE IN FINANCE

Hyatt Regency Danang Resort and Spa
Danang City, July 3 - 4, 2025



Table of Contents

Welcome	3
Conference Scope.....	4
Keynote Speaker.....	5
Conference Co-chairs	6
Organizing Committee	6
Conference Venue.....	7
Program at a Glance	8
Program in Detail	11
Abstracts of Conference Papers.....	22
Index.....	39
Institutional Co-organizers	41
Conference Sponsor	45

Welcome

We are delighted to welcome you to the 9th Vietnam International Conference in Finance (VICIF 2025), hosted in the vibrant and beautiful beach city of Danang, Vietnam—a rising regional hub for innovation, trade, and sustainable economic development. This year's conference is a collaborative initiative by the Vietnam Finance Association International (VFAI), in partnership with Foreign Trade University (FTU), Danang University of Economics – The University of Danang (DUE), University of Economics Ho Chi Minh City (UEH), International University – Vietnam National University HCMC, VinUniversity, and the University of Massachusetts Lowell.

VICIF 2025 is held in person, providing a dynamic platform for finance scholars and professionals to share cutting-edge research, engage in meaningful dialogue, and build lasting collaborations. As Danang continues its transformation into a regional financial and business center, the conference also serves as a key forum that connects Vietnam's finance research community with colleagues across the Asia-Pacific and beyond. We are honored to welcome Professor Zacharias Sautner from the University of Zurich and the Swiss Finance Institute as our Keynote Speaker, and we gratefully acknowledge the generous support of our sponsor, the Deposit Insurance of Vietnam.

We extend our heartfelt thanks to the Organizing Committee, all paper presenters and their co-authors, discussants, and session chairs for their dedication and contributions. We wish everyone an intellectually enriching and memorable conference experience in Danang.

The Conference Co-Chairs

Phi-Anh Ngoc Doan
Huu Nhan Duong
Hieu Van Phan

Conference Scope

The 9th Vietnam International Conference in Finance (VICIF 2025) takes place on July 3-4, 2025, in Danang City, Vietnam. VICIF 2025 provides an important opportunity for academics, doctoral students, and practitioners to share research interests, present new research results, and discuss current and challenging issues in finance and related topics.

The conference topics include, but are not limited to:

Corporate finance and governance	Asset pricing, investment and portfolio management
Finance and sustainability	Financial markets and institutions
Financial technology, artificial intelligence, and big data	Banking and financial regulations
Behavioral finance	Household finance and financial consumer protection
Risk management and quantitative finance	

The conference recognizes research excellence in the form of best paper awards in the following categories:

- Best Paper Award in Corporate Finance, Financial Intermediation and Sustainable Finance
- Best Paper Award in Asset Pricing, Investment, and Financial Technology
- Best Doctoral Student Paper Award

Keynote Speaker

Professor Zacharias Sautner, *Professor of Sustainable Finance at University of Zurich and Senior Chair at the Swiss Finance Institute.*



Zacharias is Professor of Sustainable Finance at University of Zurich and Senior Chair at the Swiss Finance Institute. He works on sustainable finance, ESG, climate finance, and biodiversity finance. Through his research, he provides insights on how finance can contribute to a more sustainable future. His research was downloaded more than 120,000 times on SSRN and cited more than 10,000 times according to Google Scholar. His research was published in top journals, such as the *Journal of Finance*, *Review of Financial Studies*, or *Journal of Financial Economics*. His paper "Firm-level Climate Change Exposure" is the most cited paper in the *Journal of Finance* in the past 5 years. He is an Associate Editor at the *Review of Financial Studies*, *Management Science*, and *Journal of Financial and Quantitative Analysis*, a Regular

Research Visitor at the ECB, and an advisor of asset management companies on sustainable finance issues. He serves as a Director of the European Finance Association and on the judging panel for the PRI Awards. He was a visiting professor at The University of Hong Kong, University of California San Diego, and Shanghai Jiao Tong University, among others. At University of Zurich, Zacharias co-heads the Initiative in Sustainable Finance, one of the world's leading clusters for research on sustainable finance.

Conference Co-chairs

Phi-Anh Ngoc Doan, *University of Economics - The University of Danang, Vietnam*

Huu Nhan Duong, *Monash University, Australia*

Hieu Van Phan, *University of Massachusetts Lowell, USA*

Organizing Committee

Kien Dinh Cao, *Foreign Trade University, Vietnam*

Viet Nga Cao, *Monash University, Australia*

Lam Tung Dang, *University of Economics – The University of Danang, Vietnam*

Man Huu Dang, *University of Economics – The University of Danang, Vietnam*

Viet Anh Dang, *University of Manchester, UK*

John Evans, *VinUniversity, Vietnam*

Alex Lan Nguyen, *VinUniversity, Vietnam*

My Nguyen, *RMIT University, Australia*

Nick Nhut Nguyen, *Auckland University of Technology, New Zealand*

Peter Kien Pham, *University of Sydney, Australia*

Thuy Simpson, *Grand Valley State University, USA*

Anh Luong Tran, *City University London, UK*

Anh Tran, *University of Connecticut, USA*

Dat Quoc Trinh, *International University – Vietnam National University HCMC, Vietnam*

Hong Vo, *International University – Vietnam National University HCMC, Vietnam*

Vinh Xuan Vo, *University of Economics Ho Chi Minh City, Vietnam*

Nam Hoang Vu, *Foreign Trade University, Vietnam*

Conference Venue

Hyatt Regency Danang Resort and Spa
5 Truong Sa Street, Ngu Hanh Son
Danang City, Vietnam
Tel: +84-236-3981 234



The main conference activities will be held in *Salon III, IV, and VI* meeting rooms.

The keynote address will be in *Regency Ballroom*.

The conference lunch will be served at *Regency Ballroom*.

The gala dinner will be held at *Ocean Garden I*.

Program at a Glance

Thursday, July 3, 2025

08:00 - 08:30 **Registration**

08:30 - 10:30 **Parallel Sessions (A)**

A1. Bond Market

Salon III

Chair: Huu Nhan Duong, *Monash University*

A2. Banking

Salon VI

Chair: Yen Ngoc Nguyen, *St Francis Xavier University*

A3. ESG

Salon IV

Chair: Viet Anh Dang, *University of Manchester*

10:30 - 11:00 **Break**

11:00 - 12:15 **Keynote Address**

Regency Ballroom

Professor Zacharias Sautner, Professor of Sustainable Finance at the *University of Zurich* and Senior Chair at the *Swiss Finance Institute*

12:15 - 13:30 **Lunch (Regency Ballroom)**

13:30 - 15:30 **Parallel Sessions (B)**

B1. Climate Risk

Salon IV

Chair: Tung Lam Dang, *University of Economics, The University of Danang*

B2. Labor Market

Salon III

Chair: Madhu Kalimipalli, *Wilfrid Laurier University*

B3. Funds and Investments

Salon VI

Chair: Nhut (Nick) H. Nguyen, *Auckland University of Technology*

15:30 - 16:00 **Break**

16:00 - 17:30 **Parallel Sessions (C)**

C1. Financial Markets and Institutions

Salon III

Chair: Jason Tian, *Swinburne University of Technology*

C2. Household and Behavioral Finance

Salon VI

Chair: Van Le, *University of Newcastle, Australia*

C3. Climate Policy

Salon IV

Chair: My Nguyen, *RMIT University*

18:30 – 21:30 **Gala Dinner (Ocean Garden I)**
+ Best Paper Awards

Friday, July 4, 2025

08:30 - 10:00 **Parallel Sessions (D)**

D1. AI and Applications

Salon III

Chair: Alex (Mai Lan) Nguyen, *VinUniversity*

D2. Asset Pricing and Investment

Salon VI

Chair: Anh Pham, *RMIT University*

D3. CEOs and Compensation

Salon IV

Chair: Trang Doan, *Eastern Illinois University*

10:00 - 10:30 **Break**

10:30 - 12:30 **Parallel Sessions (E)**

E1. Corporate Finance and Financial Technology

Salon III

Chair: Huu Nhan Duong, *Monash University*

E2. Sentiment

Salon VI

Chair: Hai Ly Ho, *University of Economics, The University of Danang*

E3. Emerging Markets

Salon IV

Chair: Hieu Phan, *University of Massachusetts Lowell*

Program in Detail

Thursday, July 3, 2025

08:00 - 8:30 **Registration**

08:30 - 10:30 **Parallel Sessions (A)**

A1. Bond Market

Salon III

Chair: **Huu Nhan Duong**, Monash University

Short Interest in Bonds and Aggregate Stock Returns

Authors: Huu Nhan Duong (Monash University), Arseny Gorbenko (Monash University), Petko S. Kalev (University of National and World Economy), **Jason Tian** (Swinburne University of Technology)

Discussant: **Yifeng Zhu** (Central University of Finance and Economics)

Bond Short Selling and Climate Risk: Evidence from the CDS Market

Authors: **Madhu Kalimipalli** (Wilfrid Laurier University), Manisha Thapa (Wilfrid Laurier University), Aadhar Verma (Wilfrid Laurier University)

Discussant: **George Wang** (Monash University)

Unlocking Financial Benefits: How Green Bond Issuance Lowers Bank Loan Costs Globally

Authors: Lanhao Gao (University of Newcastle, Australia), **Van Le** (University of Newcastle, Australia), Lutfur Rahman (University of Newcastle, Australia)

Discussant: **Kim Nguyen** (University of Sheffield)

The Choice between Private and Public Bond Issuance and Its Real Effects

Authors: **Loc Bui** (Susquehanna University)

Discussant: **Huu Nhan Duong** (Monash University)

A2. Banking

Salon VI

Chair: **Yen Ngoc Nguyen**, St Francis Xavier University

Breaking the Ceiling: The Impact of Usury Law Removal on Liquidity Creation

Authors: **Jonathan Lee** (University of Glasgow), Sara Wang (University of Glasgow)

Discussant: **Yen Ngoc Nguyen** (St Francis Xavier University)

International Spillover of Banking Liquidity Shocks: Does Organizational Form of Global Banks Matter?

Authors: **George Issa** (University of Sydney), Priyank Gandhi (Rutgers University), Elvis Jarnecic (University of Sydney)

Discussant: **Tran Huynh** (Durham University)

Sustainable Banking: Unleashing the Potential of ESG Media Reputation for Stable Financial Systems

Authors: Emawtee Bissoondoyal-Bheenick (RMIT University), Douglas Cumming (Florida Atlantic University), Tung Lam Dang (University of Economics, the University of Danang), **My Nguyen** (RMIT University)

Discussant: **Haikun Zhu** (China Europe International Business School)

Optimal Credit History Disclosure: What Should Be Disclosed?

Authors: **Inkee Jang** (Hanyang University), Kee-Youn Kang (University of Liverpool)

Discussant: **Jonathan Lee** (University of Glasgow)

A3. ESG

Salon IV

Chair: **Viet Anh Dang**, University of Manchester

To Woke or Not: Corporate Woke Engagement and Financial Outcomes

Authors: **Khanh Hoang** (Lincoln University), Jarko Peltomaki (Stockholm University), Cuong Nguyen (Lincoln University), Yuqian Zhang (Lincoln University)

Discussant: **My Nguyen** (Fulbright University, Vietnam)

Local Crime and ESG

Authors: Ben R. Marshall (Massey University), **Nhut (Nick) H. Nguyen** (Auckland University of Technology), Quan M.P. Nguyen (University of Sussex), Cameron Truong (Monash University), Nuttawat Visaltanachoti (Massey University)

Discussant: **Md Lutfur Rahman** (University of Newcastle, Australia)

The Hidden Cost of Waste: How Waste Management Shapes Firm Value

Authors: **Sudipta Bose** (University of Newcastle, Australia), Md Rahman (University of Newcastle, Australia), Abul Shamsuddin (Monash University Malaysia)

Discussant: **Hai Ly Ho** (University of Economics, the University of Danang)

Environmental, Social, and Governance (ESG) Reputation Risk and the Cost of Equity Capital: International Evidence

Authors: **Van Ha Nguyen** (Foreign Trade University)

Discussant: **Hong Vo** (International University, National University-HCMC)

10:30 - 11:00 **Break**

11:00 - 12:15 **Keynote Address**

Regency
Ballroom

Professor Zacharias Sautner, Professor of Sustainable Finance at the *University of Zurich* and Senior Chair at the *Swiss Finance Institute*

12:15 - 13:30 **Conference Lunch (Regency Ballroom)**

13:30 - 15:30 **Parallel Sessions (B)**

B1. Climate Risk

Salon IV

Chair: **Tung Lam Dang**, University of Economics, the University of Danang

Rising Biodiversity Risk and Firm Exposure Along the Supply Chain

Authors: **Viet Anh Dang** (University of Manchester), Ning Gao (University of Manchester), Hongge Lin (University of Manchester)

Discussant: **Khanh Hoang** (Lincoln University)

Climate Regulatory Risk and Cost of Equity: Evidence from State Climate Adaptation Plans

Authors: He Huang (University of Sydney), Thanh Son Luong (University of Sydney), **Anna Luong** (University of Sydney)

Discussant: **Sudipta Bose** (University of Newcastle, Australia)

Climate Risks and Corporate Debt Maturity Profiles

Authors: **Tuyet Nhung Vu** (Loughborough University), Binh Nguyen (RMIT University, Vietnam), Tam Nguyen (University of Bath), Hong Liu (Loughborough University)

Discussant: **Van Ha Nguyen** (Foreign Trade University)

Carbon Risk and Cash Holding Adjustment Speed: Global Evidence

Authors: Tung Lam Dang (University of Economics, The University of Danang), Duc Trung Do (Bangor University), **Hai Ly Ho** (University of Economics, The University of Danang), Yue Lu (RMIT University)

Discussant: **Justin Hung Nguyen** (Edit Cowan University)

B2. Labor Market

Salon III

Chair: **Madhu Kalimipalli**, Wilfrid Laurier University

Labor Unrest and Socially Responsible Hiring

Authors: **Haikun Zhu** (China Europe International Business School), Bohui Zhang (Chinese University of Hong Kong, Shenzhen), Jiaying You (Xiamen University)

Discussant: **Madhu Kalimipalli** (Wilfrid Laurier University)

Immigration Enforcement, Local Labor Markets, and Firm Performance: Evidence from the Secure Communities Program

Authors: Kirak Kim (Texas A&M University Central Texas), **Trang Nguyen** (University of Bristol)

Discussant: **Minh Nguyen** (Newcastle University Business School, UK)

Institutional Shareholding Fragility, Corporate Labor Efficiency and Labor Productivity

Authors: Min Deng (Newcastle University Business School, UK), Bartosz Gebka (Newcastle University Business School, UK), **Minh Nguyen** (Newcastle University Business School, UK)

Discussant: **Loc Bui** (Susquehanna University)

How Does Restricting Labor Mobility Affect Financial Statement Comparability? An Examination of U.S. Covenants Not-to-Compete

Authors: **Alex (Mai Lan) Nguyen**, VinUniversity

Discussant: **Trang Doan** (Eastern Illinois University)

B3. Funds and Investments

Salon VI

Chair: **Nhut (Nick) H. Nguyen** (Auckland University of Technology)

Trade Policy and Its Impact on Limited Partnership Commitments in Private Equity

Authors: Simon Evenett (International Institute for Management Development), Stefan Morkoetter (University of St. Gallen), **Jan Niclas Mueller** (University of St. Gallen), Tobias Schori (University of St. Gallen)

Discussant: **My Nguyen** (RMIT University)

Global Fund Flows: What They Reveal About Global Factors

Authors: Thanh Huynh (Monash University), Hieu Nguyen (Macquarie University), **Anh Pham** (RMIT University)

Discussant: **Keith Jakob** (University of Montana)

Portfolio Manager Ownership and Low-Risk Anomalies

Authors: **Du Nguyen** (University of Missouri)

Discussant: **Jason Tian** (Swinburne University of Technology)

Pro-Environment Securities Lending Style

Authors: **George Wang** (Monash University)

Discussant: **Nhut (Nick) H. Nguyen** (Auckland University of Technology)

15:30 - 16:00 **Break**

C1. Financial Markets and Institutions

Salon III

Chair: **Jason Tian**, Swinburne University of Technology

Lending in the Dark: Local Newspaper Closure and Discrimination in Mortgage Lending

Authors: **Tran Huynh** (Durham University)

Discussant: **Inkee Jang** (Hanyang University)

Bank Valuation by Sell-side Financial Analysts

Authors: **Yen Ngoc Nguyen** (St. Francis Xavier University), Tuan Ho (University of Bristol), Ruby Brownen-Trinh (University of Bristol)

Discussant: **Viola Miao** (Monash University)

Does Employee's Ownership Matter for Analyst's Earning Forecast Accuracy?

Authors: **Viola Miao** (Monash University)

Discussant: **Du Nguyen** (University of Missouri)

C2. Household and Behavioral Finance

Salon VI

Chair: **Van Le** (University of Newcastle, Australia)

Paid Sick Leave Mandates and Household Portfolio Choice

Authors: Yibing Wang (King's College London), Steven Ongena (University of Zurich), **Duc Duy (Louis) Nguyen** (Durham University), Tarek Driouchi (King's College London)

Discussant: **Trang Nguyen** (University of Bristol)

Navigating Ethical and Financial Dimensions: Understanding Retail Investors' Attitudes Toward Sustainable Investments

Authors: **Kim Nguyen** (University of Sheffield), Anwesha Bandyopadhyay (University of Lincoln, UK), Lury Sofyan (Ministry of Finance, Indonesia)

Discussant: **Hemali Abeysooriya** (Federation University)

A Heaping Spoonful of Lucky Charms: Evidence of the Combination of a Currency-Based Heaping Heuristic with the Use of Charm Numbers in Real Estate Listing

Authors: **Keith Jakob** (University of Montana), Robert Sonora (University of Montana)

Discussant: **Duc Duy (Louis) Nguyen** (Durham University)

C3. Climate Policy

Salon IV

Chair: **My Nguyen** (RMIT University)

Global Climate Policy Uncertainty and Corporate Environmental Performance: The Moderating Roles of Governance Quality and Financial Development

Authors: **Hong Vo** (International University, Vietnam National University - HCMC), Tien Nguyen (International University, Vietnam National University - HCMC)

Discussant: **Sangphill Kim** (University of Massachusetts Lowell)

Greening Acquisitions: The Role of Climate Policies in Mergers and Acquisitions Decisions

Authors: **Hieu Phan** (University of Massachusetts Lowell), Nam Nguyen (University of Texas Rio Grand Valley), Hang Nguyen (Michigan State University)

Discussant: **Yong Zhang** (Hong Kong Polytechnic University)

Firm-level Climate Vulnerability and Corporate Risk-taking: International Evidence

Authors: **Md Lutfur Rahman** (University of Newcastle, Australia), Sudipta Bose (University of Newcastle, Australia)

Discussant: **Anna Luong** (University of Sydney)

18:30 - 21:30 **Gala Dinner (Ocean Garden I)**
+ Best Paper Awards

Friday, July 4, 2025

8:30 - 10:00 **Parallel Sessions (D)**

D1. AI and Applications

Salon III

Chair: **Alex (Mai Lan) Nguyen**, VinUniversity

Audit Quality in a Competitive Market: Risk-Averse Human Auditor vs Risk-Neutral AI

Authors: **Sangphill Kim** (University of Massachusetts Lowell), Taewoo Kim (California State University San Bernardino)

Discussant: **Ambrus Kecskes** (York University)

Producing AI Innovation and Its Value Implication

Authors: Ali Ahmadi (York University), **Ambrus Kecskes** (York University), Roni Michaely (University of Hong Kong), Phuong-Anh Nguyen (York University)

Discussant: **Abhijit Sharma** (University of Huddersfield)

D2. Asset Pricing and Investments

Salon VI

Chair: **Anh Pham** (RMIT University)

Cracking the Code: Bayesian Evaluation of Millions of Factor Models in China

Authors: Yan Qian (Central University of Finance and Economics), Jinzhe Wang (Central University of Finance and Economics), Lixia Wu (Central University of Finance and Economics), **Yifeng Zhu** (Central University of Finance and Economics)

Discussant: **Anh Pham** (RMIT University)

Detecting the Unseen: Equity Bubbles and Their Drivers in Vietnam

Authors: **Manh Ha Nguyen** (Foreign Trade University), Thi Hong Hanh Pham (University of Nantes)

Discussant: **John Cotter** (University College Dublin)

Deep Reinforcement Learning vs. Mean-Variance Optimization: Portfolio Strategies for Vietnam's Transitioning Capital Market

Authors: **Minh Tuan Le** (Banking Academy Vietnam), Hai Dang Nguyen (University of Engineering and Technology, Vietnam National University)

Discussant: **Manh Ha Nguyen** (Foreign Trade University)

D3. CEOs and Compensation**Salon IV**

Chair: **Trang Doan** (Eastern Illinois University)

CEO Characteristics and Corporate Emission Releases

Authors: **Bao Linh Do** (VinUniversity), Thu Huong Le (International School, Vietnam National University), Tung Nguyen (Academy of Policy and Development), Andros Gregoriou (Liverpool John Moores University)

Discussant: **Hieu Phan** (University of Massachusetts Lowell)

Climate Regulatory Risks and Executive Compensation: Evidence from U.S. State-Level SCAP Finalization

Authors: Qiyang He (University of Sydney), **Justin Hung Nguyen** (Edith Cowan University), Buhui Qiu (University of Sydney), Bohui Zhang (Chinese University of Hong Kong, Shenzhen)

Discussant: **Tuyet Nhung Vu** (Loughborough University)

Smart Matches: A Neural Network Approach to CEO-Firm Fit and Success

Authors: Sudip Datta (University of Missouri), **Anh Doan** (University of Missouri), Trang Doan (Eastern Illinois University)

Discussant: **Viet Anh Dang** (University of Manchester)

10:00 - 10:30 **Break**

E1. Corporate Finance and Financial Technology

Salon III

Chair: **Huu Nhan Duong**, Monash University

Earnings Announcements and Return Noise: Evidence from the Impact of Peer Returns on IPO Offer Price Revision

Authors: Xiaoxu Ling (Hong Kong Polytechnic University), Ivy Zhang (University of California, Riverside), **Yong Zhang** (Hong Kong Polytechnic University)

Discussant: **Huu Nhan Duong** (Monash University)

Assessing Strategic Value Creation in Corporate Acquisitions: Insights from Cardinal Measures of Corporate Culture

Authors: Sudip Datta (University of Missouri), **Trang Doan** (Eastern Illinois University), Manoj Kulchania (Wayne State University)

Discussant: **Jan Niclas Mueller** (University of St. Gallen)

The Nexus Between Financial Technology and Financial Inclusion in the ASEAN

Authors: **Hemali Abeysooriya** (Federation University), Sisira Colombage (Federation University), Bhava Antony (Federation University)

Discussant: **Minh Tuan Le** (Banking Academy Vietnam)

E2. Sentiment

Salon VI

Chair: **Hai Ly Ho**, (University of Economics, The University of Danang)

Fundamental Sentiment and Cryptocurrency Risk Premia

Authors: **My Nguyen** (Fulbright University, Vietnam), Ganesh Viswanath-Natraj (University of Warwick), Ilias Filippou (Florida State University)

Discussant: **Bao Linh Do** (VinUniversity)

A Quantile Methods Based Analysis of Demand Derived from Product Attribute Sentiments Within Online Reviews

Authors: **Abhijit Sharma** (University of Huddersfield), Sreelakshmi Sajeew (University of Huddersfield), Artur Semeyutin (University of Huddersfield), Jialin Snow Wu (University of Huddersfield)

Discussant: **Anh Doan** (University of Missouri)

Crash Narratives and Predictability

Authors: **John Cotter** (University College Dublin), Richard McGee (University College Dublin), Xiaomeng Wang (University College Dublin)

Discussant: **Van Le** (University of Newcastle, Australia)

E3. Emerging Markets

Salon IV

Chair: **Hieu Phan** (University of Massachusetts Lowell)

Factor Influencing Customer Loyalty Towards E-Wallet Services in Vietnam: The Mediating Role of Trust ?

Authors: Phuong Lan Le (Foreign Trade University), **Hai Anh Nguyen** (Mobifone Corporation)

Discussant: **Kien Cao** (Foreign Trade University)

ESG, Innovation and Firm Value: Evidence from Listed Firms in Vietnam

Authors: **Quyen Do Nguyen** (Foreign Trade University), Nhi Yen Hoang (Foreign Trade University), Ngoc Thi Bao Nguyen (Foreign Trade University), Anh Phuong Nguyen (Foreign Trade University), Ngan Thi Trinh (Foreign Trade University), Uyen Mai Pham (Foreign Trade University)

Discussant: **Geetanjali Verma** (Indian Institute of Technology Delhi)

Trump's Tariffs and Financial Turbulence: Forecasting Volatility in U.S. Trading Partners' Stock Markets

Authors: **Minh Anh Duong** (Foreign Trade University), Thai Nam Vuong (Public Bank Vietnam)

Discussant: **Tung Lam Dang** (University of Economics, The University of Danang)

The Moderating Effects of ESG Disclosures on Liquidity Creation and Cost Efficiency in Emerging Markets Banks

Authors: **Geetanjali Verma** (Indian Institute of Technology Delhi), Smita Kashiramka (Indian Institute of Technology Delhi)

Discussant: **Alex (Mai Lan) Nguyen**, VinUniversity

Abstracts of Conference Papers

A1. Bond Market

Short Interest in Bonds and Aggregate Stock Returns

Authors: Huu Nhan Duong (Monash University), Arseny Gorbenko (Monash University), Petko S. Kalev (University of National and World Economy), **Jason Tian** (Swinburne University of Technology)

Short interest in corporate bonds negatively predicts aggregate stock returns. In- and out-of-sample tests suggest that this predictability is stronger and more long-lasting compared to short interest in stocks, corporate bond variables, and other well-known predictors of stock market returns. Short interest in bonds captures informed trading as evidenced by its ability to predict aggregate bond return characteristics, credit spreads, and changes in firm fundamentals, including default probabilities and earnings surprises. Predictability is the strongest in periods when stock and bond markets have more frictions, which impair market integration and delay information diffusion between markets.

Bond Short Selling and Climate Risk: Evidence from the CDS Market

Authors: **Madhu Kalimipalli** (Wilfrid Laurier University), Manisha Thapa (Wilfrid Laurier University), Aadhar Verma (Wilfrid Laurier University)

Does climate risk influence bond short selling? We address this question by studying how climate risk influences the relationship between corporate bond short selling and subsequent credit default swap (CDS) spreads. We find that bond short selling is strongly related to future CDS spreads for the high climate risk firms. In particular, our fixed effects triple difference-in-differences (DiD) regressions show that sensitivity of subsequent CDS spreads to lagged bond short selling is significantly higher for firms with high regulatory and physical risks in the eight- quarters following the post-Paris Accord of December, 2015. Specifically, the treated firms consist of those in the highest quartile of a given climate risk for the last quarter of 2014, while the control sample firms are propensity score matched lowest quartile firms for that quarter. Our results are robust to (a) alternate short selling measure (i.e. utilization ratio), (b) alternate exogenous events involving Trump election 2016 and US withdrawal from the Paris Accord 2017, (c) the staggered DiD regressions involving sequential implementation of US state climate adaptation plans. (d) alternate climate risk proxies i.e., CDP scores and textual physical risk measures (source: Li et. al., 2024, RFS), (e) alternate CDS maturities, (f) inclusion of lagged CDS spreads and equity short selling, and (g) placebo test. Further tests show that the relationship for bond short selling and subsequent CDS spreads mainly holds for long-term maturity and non-investment grade bonds. Our results imply the evidence of attention hypothesis where the sensitivity of short selling to subsequent CDS spreads is evident post Paris agreement, and possible market underreaction hypotheses given the strength of results for non-investment grade issues. Overall, our findings inform that regulatory and physical climate risks can significantly influence the relationship between bond short selling and subsequent CDS spreads when attention to climate risk increases.

Unlocking Financial Benefits: How Green Bond Issuance Lowers Bank Loan Costs Globally

Authors: Lanhao Gao (University of Newcastle, Australia), **Van Le** (University of Newcastle, Australia), Lutfur Rahman (University of Newcastle, Australia)

We investigate the effect of green bond issuance on the cost of bank loans across the globe. Using a large sample of firm-year observations from 34 countries and the staggered difference-in-difference settings, we find that corporate green bond issuers benefit from lower bank loan costs, eased collateral requirements and improved credit ratings. We further examine competing underlying mechanisms through which green bond issuance influences bank loan costs, including enhanced information efficiency, better corporate governance and improved ESG performance. Our analysis extends across diverse country-, loan-, and firm-level variations and includes extensive robustness tests to address

potential endogeneity concern. This study offers new insight to support the sustainable financing discourse by highlighting the positive impact of green finance on firm's borrowing cost, enhancing its appeal to prospective issuers and lenders.

The Choice between Private and Public Bond Issuance and Its Real Effects

Authors: **Loc Bui** (Susquehanna University)

This paper uses the passage of the Securities Offering Reform in 2005 to provide new evidence on the choice between issuing debt securities in the private versus public markets. With a more streamlined public issuance process, firms are more likely to seek financing in the public market. This effect is more pronounced for firms characterized by higher information asymmetry and whose debt offerings are characterized by lower expected liquidity. Furthermore, the regulatory intervention also produces real effects on firms' operations. More specifically, firms increase investment and long-term debt, but keep leverage and cash holdings unchanged. As a result, firms improve their operating performance. The findings in this paper speak of secondary consequences of the regulatory change and have implications for policy making.

A2. Banking

Breaking the Ceiling: The Impact of Usury Law Removal on Liquidity Creation

Authors: **Jonathan Lee** (University of Glasgow), Sara Wang (University of Glasgow)

We examine the impact of usury law removal on bank liquidity creation by exploiting the 1999 Gramm-Leach-Bliley Act's repeal of Arkansas' strict interest rate cap as a natural experiment. Using a difference-in-differences framework, we find that deregulation significantly increased liquidity creation among large banks, while small banks reduced liquidity provision due to heightened competition. Our results also show that financial strength influences the ability to capitalize on deregulation, as banks with higher profitability and capital abundance experienced stronger liquidity creation growth. Additionally, we show that removing interest rate ceilings enhanced the transmission of monetary policy and reshaped loan portfolios, with large banks expanding commercial lending and mortgages while small banks expand consumer loans. Finally, we document intensified competition post-deregulation. Our study provide novel evidence on how interest rate (de)regulations shape liquidity creation, monetary policy transmission, and market competition.

International Spillover of Banking Liquidity Shocks: Does Organizational Form of Global Banks Matter?

Authors: **George Issa** (University of Sydney), Priyank Gandhi (Rutgers University), Elvis Jarnecic (University of Sydney)

How does the interconnected nature and organizational form of global banks affect international spillover of bank liquidity shocks? We show that liquidity shocks to parent global banks induce a sale of securities held by international branches that rely on parent banks for funding, but not by international subsidiaries that are independently capitalized and domestically funded in the host country. The evidence for liquidity shock-induced sales of securities by global banks branches is stronger during the financial crisis, and for global bank branches that are financially constrained. Thus, liquidity management within global multinational banks can contribute to the propagation of liquidity shocks across countries and the transmission of such shocks depends on the organizational form of global multinational banks. Our results speak to the current debate on the optimal regulation of global banks (for e.g., the 'Intermediate Holding Company' rule in the U.S. and the 'Capital Requirements

Directive and Capital Requirements Regulation' in the E.U) that requires all global banks to organize as independently capitalized subsidiaries.

Sustainable Banking: Unleashing the Potential of ESG Media Reputation for Stable Financial Systems

Authors: Emawtee Bissoondoyal-Bheenick (RMIT University), Douglas Cumming (Florida Atlantic University), Tung Lam Dang (University of Economics, the University of Danang), **My Nguyen** (RMIT University)

This paper investigates the impact of ESG reputation on the stability of banks, examining both cross-bank and cross-country variations as well as the economic channels at play. The results show a positive association between ESG reputation and bank stability, with risk reduction identified as a key channel driving this effect. The impact of ESG reputation is notably stronger in countries with higher levels of societal trust, lower media coverage, and reduced influence from state-owned media. This research contributes to the literature on the role of banks in ESG activities and their stability, complementing prior studies on bank reputation and performance. The findings have significant implications for policymakers, regulators, and investors, offering valuable insights for promoting responsible banking practices and enabling informed decision-making to support sustainable economic growth.

Optimal Credit History Disclosure: What Should Be Disclosed?

Authors: **Inkeek Jang** (Hanyang University), Kee-Youn Kang (University of Liverpool)

We develop a dynamic model of unsecured debt contracts under adverse selection, where an entrepreneur borrows to fund a project with returns dependent on both entrepreneurial and aggregate productivity. Entrepreneurial productivity is private information. Lenders assess the entrepreneur's productivity based on their credit history, which may include default and/or transaction histories, along with historical aggregate productivity. While transaction history is more informative than default history, its disclosure is effective only when current economic conditions are favorable and it incurs higher social costs. We explore how future economic outlooks influence the effects of credit history disclosure and identify the optimal information regime.

A3. ESG

To Woke or Not: Corporate Woke Engagement and Financial Outcomes

Authors: **Khanh Hoang** (Lincoln University), Jarko Peltomäki (Stockholm University), Cuong Nguyen (Lincoln University), Yuqian Zhang (Lincoln University)

This paper develops a novel approach to capture corporate woke engagement (CWE) by measuring its disclosure in 10-K filings from 2008 to 2023. CWE disclosure shows a sharp increase beginning in 2020 and is more prevalent among firms that emphasize integrity, respect, teamwork and innovation as cultural values. We find that firms with a high frequency of CWE disclosure are associated with an immediate boost in labor investment efficiency, however, that association diminishes after one year. We also find evidence on an inverted U-shaped relationship between CWE disclosure and Tobin's Q suggesting that excessive woke engagement is detrimental to firm value. The underperformance of CWE stocks manifests primarily during the Republican presidency. These findings underline the growing significance of CWE in contemporary corporate America.

Local Crime and ESG

Authors: Ben R. Marshall (Massey University), **Nhut (Nick) H. Nguyen** (Auckland University of Technology), Quan M.P. Nguyen (University of Sussex), Cameron Truong (Monash University), Nuttawat Visaltanachoti (Massey University)

Using a large FBI dataset of reported crime incidents across the U.S., we examine how local crime near firm headquarters impacts firm ESG outcomes. Based on three identification approaches, our results suggest that higher (lower) crime causes worse (better) ESG performance. This relation is stronger when firms are in the retail industry and have more financial constraints and weaker when firms face more stakeholder pressure to pursue ESG initiatives and when they are led by CEOs with characteristics such as being more pro-social.

The Hidden Cost of Waste: How Waste Management Shapes Firm Value

Authors: **Sudipta Bose** (University of Newcastle, Australia), Md Rahman (University of Newcastle, Australia), Abul Shamsuddin (Monash University Malaysia)

This study examines the firm-value effects of waste management using 16,421 firm-year observations across 48 countries worldwide. We find that waste generation (recycling) is negatively (positively) associated with the market value of equity, implying that global capital markets are sensitive to corporate waste management practices. A quasi-experimental analysis using the 2015 Paris Agreement as an exogenous shock suggests that the firm-value effect of waste management intensified in the post-Paris Agreement period, especially in environmentally sensitive industries. We also find that the effect of firms' waste management on their market value of equity is more pronounced for firms in countries with stakeholder-oriented business culture, higher economic policy uncertainty, stronger environmental regulatory stringency, and higher global climate risk. Our findings have practical implications for regulators, standard-setters, and policymakers worldwide, given that firms' waste management is increasingly attracting investors' attention to address the climate-change risks and create sustainable firm value.

Environmental, Social, and Governance (ESG) Reputation Risk and the Cost of Equity Capital: International Evidence

Authors: **Van Ha Nguyen** (Foreign Trade University)

This paper examines the influence of a firm's ESG reputation risk on its cost of equity capital around the world. Employing a comprehensive sample of 48 countries, it documents strong evidence that ESG reputation risk leads to a higher cost of equity capital. This result remains unchanged in various robustness checks, including use of alternative variable measures, different model specifications, alternative sub-samples, and potential endogeneity concerns. Further analyses show that firms with less severe information asymmetry and lower levels of financial risk experience a more pronounced impact of ESG reputational risk on the cost of equity capital, thereby suggesting that information asymmetry and financial risk are two mechanisms through which ESG reputation risk affects the cost of equity capital. It also finds that the positive effect of ESG reputation risk on the cost of equity capital is stronger in countries with better financial development and higher governance quality.

B1. Climate Risk

Rising Biodiversity Risk and Firm Exposure Along the Supply Chain

Authors: **Viet Anh Dang** (University of Manchester), Ning Gao (University of Manchester), Hongge Lin (University of Manchester)

This paper examines the impact of rising biodiversity risk on companies' exposure to this risk in supply chains following the implementation of the California Biodiversity Initiative (CBI). The CBI

announcement heightened awareness of biodiversity risk and triggered a negative stock market reaction among firms exposed to such risk. Consequently, after the CBI was launched, firms headquartered in California shifted their global supplier portfolios toward those with lower biodiversity risk exposure. Exploring firm-level heterogeneity, we find that this effect is more pronounced among firms facing higher biodiversity risk, those with less integrated supply chains, and those with lower supplier reliance ex-ante. Our channel tests further suggest that firms adjust their supply chains by factoring in the biodiversity risk exposure of suppliers when initiating or terminating supplier relationships. Moreover, we find that firms making larger supplier adjustments subsequently experience increased production costs, inventory levels, and research and development (R&D) expenses. Overall, our research highlights the growing importance of biodiversity risk in supply chain management, reflecting the increasing awareness and severity of this risk, and underscores its implications for firms' operational strategies and decision-making.

Climate Regulatory Risk and Cost of Equity: Evidence from State Climate Adaptation Plans

Authors: He Huang (University of Sydney), Thanh Son Luong (University of Sydney), **Anna Luong** (University of Sydney)

This study examines the impact of State Climate Adaptation Plan (SCAP) finalization on local firms' cost of equity. SCAPs outline state-specific recommendations to mitigate emissions and adapt to climate change, creating climate regulatory uncertainty for firms due to varying implementation details across states. Using a stacked-cohort difference-in-differences approach, we find that firms headquartered in states adopting SCAPs experience an average increase of 0.6% in their cost of equity compared to those in non-adopting states. This increase is attributed to heightened local attention to climate issues, as measured by Google Trends data. We identify operating leverage and regulatory uncertainty as key channels driving these effects. Firms in adopting states face significantly higher operating leverage, which reduces operating flexibility and elevates investor perceptions of risk. Uncertainty around SCAP goals further exacerbates this effect. Further analyses reveal stronger effects for firms with higher information asymmetry, unstable cash flows, tighter financial constraints, and higher perceived climate risk. We also document higher SEO underpricing of firms headquartered in SCAP adopted states, indicating higher cost of raising equity.

Climate Risks and Corporate Debt Maturity Profiles

Authors: **Tuyet Nhung Vu** (Loughborough University), Binh Nguyen (RMIT University, Vietnam), Tam Nguyen (University of Bath), Hong Liu (Loughborough University)

We present evidence suggesting that firms actively manage their debt maturity profile when exposed to future extreme weather events. After controlling for various firm-specific and macroeconomic factors in an international sample of 41 countries from 2005 to 2019, our findings indicate that managers strategically structure firms' debt maturity in a dispersed manner when facing increased physical climate risk. A difference-in-differences analysis supports these findings, and the results remain robust under different sample exclusion criteria. Additionally, our evidence highlights that financial health and capital market development are the two primary channels through which climate risk impacts debt maturity dispersion. The positive effect of climate risk on debt maturity dispersion is more pronounced when firms (i) experience deteriorating financial health, and (ii) operate in countries with better access to capital markets.

Carbon Risk and Cash Holding Adjustment Speed: Global Evidence

Authors: Tung Lam Dang (University of Economics, The University of Danang), Duc Trung Do (Bangor University), **Hai Ly Ho** (University of Economics, The University of Danang), Yue Lu (RMIT University)

We investigate the impact of carbon risk on the speed of adjustment (SOA) of corporate cash holding toward the target. Using a comprehensive sample of 12,754 firms from 47 countries from 2002 to 2019, we find that carbon risk significantly decelerates the cash holding SOA. This result is robust to

a series of checks and survives the endogeneity corrections using the instrumental variable approach and an exogenous shock, suggesting a causal effect. In the cross section, the negative impact of carbon risk on cash holding SOA is more pronounced for firms with greater financial constraints and for those operating below the target. At the country level, the negative impact of carbon risk on cash holding SOA is more pronounced in countries with stronger institutional environments. Overall, our study highlights the important role of carbon risk in shaping corporate cash holding dynamics and suggests implications for corporate planning on the level of carbon emissions.

B2. Labor Market

Labor Unrest and Socially Responsible Hiring

Authors: **Haikun Zhu** (China Europe International Business School), Bohui Zhang (Chinese University of Hong Kong, Shenzhen), Jiaying You (Xiamen University)

We explore how labor unrest, as a shock to local social stability, prompts state-owned enterprises (SOEs) to adopt socially responsible hiring practices at the cost of productivity. The impact is more pronounced when labor unrest occurs in the industries of the exposed SOEs, local fiscal budgets are strong, governing mayors have better incentives, and local private sectors experience slower growth. While SOEs gain more fiscal benefits, these do not fully offset the associated costs. In contrast, non-SOEs do not respond to labor unrest, and their performance remains unchanged. Various tests address the selection effects of labor unrest. Macro-level results indicate that SOEs can help mitigate the negative economic and social impact of labor unrest.

Immigration Enforcement, Local Labor Markets, and Firm Performance: Evidence from the Secure Communities Program

Authors: Kirak Kim (Texas A&M University Central Texas), **Trang Nguyen** (University of Bristol)

Undocumented immigration is a dynamically evolving issue in developed countries around the world. This paper evaluates the economic impacts of undocumented immigrant workers on firms' growth and performance, using the U.S. county-level rollout of an enforcement program Secure Communities ("SComm") as a negative shock to the local supply of low-skill labor associated with undocumented immigrants in neighboring commuting zones. We find that the activation of SComm in a commuting zone leads to a 2% increase in the likelihood of firm exits within 24 months and a 2–3% decline in various performance measures, such as sales growth, output-to-employment, and profitability. Our analysis of private firms further buttresses the notion that the impacts are attributable to a decline in the local supply of low-skill labor. Additional evidence indicates underlying economic channels that are likely in play, such as labor adjustment costs, complementarity to citizen workers' productivity, and wage bargaining. Overall, our research suggests that a nonnegligible share of the U.S. firm productivity benefits from undocumented immigrant workers through both direct and indirect channels. Expect the impact to be stronger for firms that require flexible labor adjustment, rely more on subcontractors, reside in the areas with low-skilled labor, and hire (female) managers with childcare needs.

Institutional Shareholding Fragility, Corporate Labor Efficiency and Labor Productivity

Authors: Min Deng (Newcastle University Business School, UK), Bartosz Gebka (Newcastle University Business School, UK), **Minh Nguyen** (Newcastle University Business School, UK)

We compute stock-level fragility based on the *i*-liquidity of institutional shareholdings and demonstrate that shareholder fragility increases labour investment inefficiency of U.S. firms over the sample period from Jan 1, 1994 to Dec 31, 2021. This relationship becomes stronger when institutional investors have long-term investment horizon in the firm, after the introduction of Regulation Fair

Disclosure, during the 2007-8 financial crisis and periods of high financial and macroeconomic uncertainty, and for firms with CEO duality, that is, where the CEO also serves as the chairman of the board of directors of the firm. Our empirical findings also show that shareholder fragility has significant negative effects on labour productivity. This evidence suggests that illiquidity in institutional stock holdings imposes real economic consequences on corporate performance via the channel of suboptimal labour investment decisions.

How Does Restricting Labor Mobility Affect Financial Statement Comparability? An Examination of U.S. Covenants Not-to-Compete

Authors: **Alex (Mai Lan) Nguyen**, VinUniversity

This study explores how labor mobility restrictions in the form of covenants not-to-compete (CNCs) affect financial statement comparability. Evidence shows that when a state increases the legal enforceability of these covenants, the financial statements of industry peers in this state become less comparable. The impact is stronger for industry followers and firms surrounded by more local peers, suggesting that labor-based knowledge spillover is a mechanism of this impact. Moreover, increases in CNC enforceability lead firms to face greater difficulties in raising capital and sustaining investment due to lower comparability. These findings have important implications for policymakers, accounting standard setters, and firm owners.

B3. Funds and Investments

Trade Policy and Its Impact on Limited Partnership Commitments in Private Equity

Authors: Simon Evenett (International Institute for Management Development), Stefan Morkoetter (University of St. Gallen), **Jan Niclas Mueller** (University of St. Gallen), Tobias Schori (University of St. Gallen)

We examine how trade policy shapes the investments of U.S. public pension funds to private equity funds. Using a novel dataset of 1,824 foreign fund-level investments made by 129 U.S. public pension funds between 2009 and 2022, we link institutional capital allocation to trade distortions. Consistent with tariff-jumping behavior, U.S. public pension funds reduce foreign commitments when U.S. protectionist trade distortions rise, but increase them when protectionist trade distortions imposed by recipient countries intensify. We find limited evidence that industrial policy measures such as subsidies influence capital allocation decisions. Our results highlight how protectionist trade policy systematically shifts the geographic allocation of institutional capital by altering perceived investment conditions in foreign financial markets.

Global Fund Flows: What They Reveal About Global Factors

Authors: Thanh Huynh (Monash University), Hieu Nguyen (Macquarie University), **Anh Pham** (RMIT University)

Using novel data on global asset managers, this study investigates the asset pricing factors that guide global fund flows. Among the prominent models assessed, the Capital Asset Pricing Model (CAPM) emerges as the most influential in predicting global fund flows. These results are primarily driven by institutional investors, rather than high-net-worth individuals, although all investor types do not seem to use sophisticated benchmarks. The prevalent use of the CAPM leads to correlated demand, which positively predicts stock returns in the short term but reverses in the long term. Our findings suggest that the CAPM remains an important model after all.

Portfolio Manager Ownership and Low-Risk Anomalies

Authors: **Du Nguyen** (University of Missouri)

This paper examines the impact of agency-issue-induced incentive misalignment in the mutual fund industry on the relation between risk (e.g., beta, idiosyncratic volatility or distress risk) and abnormal return in the stock market. Using portfolio manager ownership (i.e., skin in the game) to construct a stock-level measure of exposure to trading induced by incentive misalignment, I find that the negative alphas for a comprehensive set of strategies that buy high-risk stocks and sell low-risk stocks (i.e., low-risk anomalies) concentrate only among stocks with low ownership intensity. The measure alone accounts for more than one third of the anomalies and when combined with the existing explanations, increases the overall explanation by 40%. This explanatory power is neither driven by other firm characteristics nor affected by performance-induced incentives. The findings are consistent with the conjecture that incentive misalignment entails excessive risk taking that distorts the risk-return relation.

Pro-Environment Securities Lending Style

Authors: **George Wang** (Monash University)

Utilizing novel position-level equity loan data, this paper documents the securities lending channel of sustainable investing. I estimate pro-environment securities lending styles among US passive funds, defined as a fund's tendency to supply browner equity positions for lending. Passive funds managed by politically liberal portfolio managers and those domiciled in Democrat-leaning areas exhibit markedly stronger pro-environment lending styles. As a complement to their brown-tilted lending strategies, pro-environment lenders also recall loaned shares and vote favorably on E&S proposals at brown firms' proxy meetings. At the aggregate security level, ownership by pro-environment lenders alleviates short-sale constraints and enhances the informational efficiency of brown firms. I develop novel empirical strategies to identify the lending supply effects facilitated by pro-environment lenders. Overall, my findings provide new insights into how passive funds - despite being constrained by benchmarked portfolio structures - express non-pecuniary preferences through forming securities lending habitats.

C1. Financial Markets and Institutions

Lending in the Dark: Local Newspaper Closure and Discrimination in Mortgage Lending

Authors: **Tran Huynh** (Durham University)

This paper examines the extent to which local newspaper closures affect discrimination against minority borrowers in mortgage lending. I find that following a newspaper closure, interest rate differentials between minority (black or Hispanic) and comparable non-minority borrowers increase by 5.5 basis points, widening the existing gap in mortgage outcomes between the two groups. This effect cannot be explained by differences in credit risk or underlying economic conditions. My findings suggest that the local press plays an important role in monitoring lending practices and reducing information asymmetries in the mortgage market.

Bank Valuation by Sell-side Financial Analysts

Authors: **Yen Ngoc Nguyen** (St. Francis Xavier University), Tuan Ho (University of Bristol), Ruby Brownen-Trinh (University of Bristol)

Despite the important role of banks in the economy, there is scant empirical evidence on how financial analysts value banks. To fill this knowledge gap, we manually collected data on valuation approaches and valuation model choices of analysts from 2,263 equity research reports of 23 largest North American (NA) and European (EU) banks. We then examine the valuation framework (including

the valuation approaches and valuation models) that analysts use to value banks, the determinants of their choice, and whether it affects analysts' target price forecasting performance. The results indicate that analysts covering EU banks are more likely to employ the sum-of-the-parts (SOTP) approach, while analysts covering NA banks are more likely to value banks as standalone entities. Analyst teams led by those who have CFA designations are more likely to employ the SOTP approach. Our results also show that equity analysts predominantly use single-period multiple models to value banks, regardless of their valuation approach. There is no evidence that the more sophisticated valuation framework improves target price forecast accuracy. However, we find evidence consistent with analysts' use of more sophisticated framework to signal extra effort and enhance credibility of their target price forecasts and recommendations.

Does Employee's Ownership Matter for Analyst's Earning Forecast Accuracy?

Authors: **Viola Miao** (Monash University)

I examine the affiliation between financial analysts and the followed firms through their employers' ownership. Specifically, I investigate and show that analysts forecast more accurately when their employers are the institutional shareholders of the followed firms. In addition, analysts make smaller forecast errors if they shift from unaffiliated employers to affiliated ones. Furthermore, I show analysts' forecast accuracy is positively associated with the size of their employers' ownership of the followed firms. Finally, I find that these affiliated analysts tend to make more pessimistic forecasts compared to unaffiliated analysts. Overall, the findings suggest that affiliated analysts through their employers' ownership may receive additional information and therefore, violate the spirit of Regulation Fair Disclosure (Reg FD).

C2. Household and Behavioral Finance

Paid Sick Leave Mandates and Household Portfolio Choice

Authors: Yibing Wang (King's College London), Steven Ongena (University of Zurich), **Duc Duy (Louis) Nguyen** (Durham University), Tarek Driouchi (King's College London)

Using the staggered adoption of paid sick leave (PSL) mandates across US states, we document a 20% increase in the average household stock market participation following the enactment of a PSL policy. The effects are more pronounced among households facing greater health concerns, higher employment risks, and deeper financial vulnerabilities. Several mechanisms can explain our findings. PSL mandates offer households insurance-like protection, increase their income and wealth, and improve households' future outlook. Our findings demonstrate that PSL laws create positive economic externalities by motivating households to invest in risky assets, a key factor toward building wealth.

Navigating Ethical and Financial Dimensions: Understanding Retail Investors' Attitudes Toward Sustainable Investments

Authors: **Kim Nguyen** (University of Sheffield), Anwesha Bandyopadhyay (University of Lincoln, UK), Lury Sofyan (Ministry of Finance, Indonesia)

Environmental and social (ES) issues pose significant challenges to the sustainable growth of developing countries. However, few studies have explored investors' preferences for ES investments or proposed interventions to encourage these investments. In this study, we disentangle the E and S elements by examining the investment decisions of professional investors in Indonesia and introducing three interventions: return externality, information on Indonesia's environmental and social challenges, and peer effects. The model proposed by Markowitz (1952) suggests that investors are more likely to select assets with higher returns at a given level of risk. In contrast, Levitt and List (2007) demonstrates that investors are also motivated by moral utility, alongside financial utility, when making investment

decisions. Indonesia, a country experiencing impressive economic growth and projected to become the seventh-largest economy in the world by 2030, is simultaneously ranked among the top ten most polluted nations. Our findings reveal that investors strongly prefer socially responsible funds but tend to shift their investments to green funds when provided with information about the country's environmental issues and the decisions of their peers. Financial motives, social motives, and individual characteristics such as the warm-glow effect, social trust, institutional trust, and risk preferences influence sustainable investment decisions. Religion plays an important role in shaping these decisions.

A Heaping Spoonful of Lucky Charms: Evidence of the Combination of a Currency-Based Heaping Heuristic with the Use of Charm Numbers in Real Estate Listing

Authors: **Keith Jakob** (University of Montana), Robert Sonora (University of Montana)

In this article we examine real estate property pricing tactics in a set of over two million real estate listings in the United States. We show that list prices are heavily influenced by two opposing behavioral forces; one being the cognitive heuristic called *Heaping* and the other being the *psychological pricing theory* that uses Charm Numbers. Heaping is defined as a cognitive bias to round numbers even if precise results are desired. Heaping is a well-documented cognitive heuristic seen in population survey data as well as business decision data such as analyst forecasts and dividend distributions. When real estate agents face uncertainty about how to optimally price a listing, the Heaping heuristic causes agents to unintentionally cluster listings at specific increments based on the largest divisors of the currency numbering system. On the other hand, the psychological pricing theory indicates Charm numbers are prices that are just below a round number, like \$99,900 instead of \$100,000. Charm numbers are used by agents to provide buyers with a cognitive reference point that is perceived by buyers as significantly smaller than the larger rounded price. Charm numbers are well documented in many areas including retail supermarket pricing. In our empirical analyses we find strong evidence of a distinct combination of heaping and charm number usage in real estate listings. The data indicate that agents heavily rely on heaping at \$25,000 increments. Additionally, when agents choose to use a charm number, they generally are set just below these heaped increments. As an additional contribution, we show that both heaped and charmed prices in the sample are significantly impacted by a magnitude effect.

C3. Climate Policy

Global Climate Policy Uncertainty and Corporate Environmental Performance: The Moderating Roles of Governance Quality and Financial Development

Authors: **Hong Vo** (International University, Vietnam National University - HCMC), Tien Nguyen (International University, Vietnam National University - HCMC)

This study examines the impact of global climate policy uncertainty (GCPU) on corporate environmental performance. Using an extensive dataset of 83,928 firm-year observations from 69 countries between 2003 – 2023, we find strong evidence that GCPU significantly increases firms' environmental activities. Our results remain robust when using alternative measures of GCPU and environmental components scores, alternative econometric specifications, and various approaches to control for endogeneity. Moreover, we find that the positive relationship between GCPU and environmental performance is more pronounced for firms operating in countries with higher quality in corporate governance or stronger financial development backgrounds. Additionally, we show that environmental engagement helps mitigate the adverse impact of GCPU on firms' performance and stock market valuation. Overall, our findings suggest that firms engage in environmental activities as a part of their strategies to alleviate the risks associated with uncertainty in global climate policy.

Greening Acquisitions: The Role of Climate Policies in Mergers and Acquisitions Decisions

Authors: **Hieu Phan** (University of Massachusetts Lowell), Nam Nguyen (University of Texas Rio Grand Valley), Hang Nguyen (Michigan State University)

This research utilizes California's 2013 adoption of the cap-and-trade policy, designed to reduce greenhouse gas emissions, as a quasi-natural experiment to examine the relationship between state climate regulations and mergers and acquisitions (M&As). We find that California firms adopt a more cautious approach to acquisitions following the policy's implementation, becoming less likely to engage in M&As, especially those with greater financial flexibility or a higher concentration of dedicated and quasi-institutional investors. However, when these firms do pursue M&As, they exhibit a preference for in-state and diversifying transactions, and acquirers with strong corporate social responsibility (CSR) performance create greater shareholder value. Furthermore, California firms are more likely to become acquisition targets and tend to command higher valuations post-policy. Overall, the findings highlight how robust climate policies can reshape the M&A landscape and increase value for socially and environmentally responsible firms.

Firm-level Climate Vulnerability and Corporate Risk-taking: International Evidence

Authors: **Md Lutfur Rahman** (University of Newcastle, Australia), Sudipta Bose (University of Newcastle, Australia)

This study examines the association between firm-level climate change risk exposure and corporate risk-taking using a sample of 50,782 firm-year observations from 2003 to 2021 across 58 countries worldwide. Using a time-varying measure of firm-level climate change risk exposure derived from corporate conference call transcripts, we find a negative relationship between firm-level climate change risk exposure and corporate risk-taking. We also find that the negative association is more pronounced for firms with higher environmental innovation and firms domiciled in countries with stakeholder-oriented business cultures and stronger governance. Our key finding is robust under several alternative corporate risk-taking and climate change risk exposure proxies. The findings of this study could be used by policymakers to enact regulations limiting risky investments in climate-vulnerable sectors or to provide economic safety nets for businesses impacted by climate change.

D1. AI and Applications

Audit Quality in a Competitive Market: Risk-Averse Human Auditor vs Risk-Neutral AI

Authors: **Sangphill Kim** (University of Massachusetts Lowell), Taewoo Kim (California State University San Bernardino)

This paper extends the theoretical framework of effort-averse auditors in a competitive audit market by incorporating client retention as part of the auditor's compensation structure. Unlike static models, we introduce a two-period framework where the auditor accounts for future discounted fees, with retention probability dependent on audit quality. We further generalize this to a multiperiod setting, allowing dynamic effort adjustments over time. Our comparative statics demonstrate that audit effort is positively influenced by higher penalties, stronger retention incentives, and a lower discount rate. These findings provide important policy implications for audit regulation and market design.

Producing AI Innovation and Its Value Implication

Authors: Ali Ahmadi (York University), **Ambrus Kecskes** (York University), Roni Michaely (University of Hong Kong), Phuong-Anh Nguyen (York University)

Using novel AI patent data, we document significant production of AI innovation as early as 1990. Then, focusing on publicly traded firms, we show that their AI production is motivated by the mutually reinforcing effect of their innovation capacity and AI exposure. We use corresponding exogenous variation in R&D stock and AI exposure to instrument for AI production. Producing AI creates firm value through a large, permanent decrease in risk (both systematic and idiosyncratic), rather through profitability. Further evidence suggests that AI lowers physical capital intensity and increases bargaining power for producing firms. However, AI production increases future stock returns (roughly 5% per year). Coupled with no evidence of investor learning over three decades, the results suggest that AI innovation is undervalued by investors. We empirically distinguish production of AI innovation from AI adoption, automation, general technology, and other potential confounds.

D2. Asset Pricing and Investments

Cracking the Code: Bayesian Evaluation of Millions of Factor Models in China

Authors: Yan Qian (Central University of Finance and Economics), Jinzhe Wang (Central University of Finance and Economics), Lixia Wu (Central University of Finance and Economics), **Yifeng Zhu** (Central University of Finance and Economics)

We utilize the Bayesian model scan approach of Chib et al. (2020) and Chib et al. (2023) to examine the best performing models in a set of 15 initial factors from the literature, plus 8 principal components (PCs) of anomalies unexplained by the initial factors in Chinese A-share market. The Bayesian comparison of approximately eight million models shows that {HML, MOM, IA, EG, PEAD, SMB, VMG, PMO}, plus the four PCs {PC1, PC6, PC7, PC8} are the best supported risk factors in terms of marginal likelihoods and posterior model probabilities. Pricing tests and annualized out-of-sample Sharpe ratios for tangency portfolios suggest that this asset pricing models should be used for computing expected returns, assessing investments strategies and building portfolios.

Detecting the Unseen: Equity Bubbles and Their Drivers in Vietnam

Authors: **Manh Ha Nguyen** (Foreign Trade University), Thi Hong Hanh Pham (University of Nantes)

The paper explores the dynamics of equity bubbles in Vietnam's rapidly evolving stock market, which is characterized by its unique economic conditions and investment behaviors. On one hand, we employ the SADF and the GSADF methods to detect equity bubbles in Vietnam's stock market since 2000. On the other hands, using the Logit model, we aim to uncover the patterns and the triggers leading to Vietnam's equity bubbles. First, we reveal that Vietnam has experienced several equity bubbles detected on its three benchmark indexes including the VN-index, the HNX-index and the VN30-index. Second, our empirical finding is consistent with the relevant theoretical literature supporting the crucial role of price volatility in creating Vietnam's equity bubbles. Besides, we find evidence of such a complex and ambiguous interplay between macroeconomic factors and the equity bubble formation, which depends on the structure of each stock market, the characteristics of each benchmark index and the efficiency of macroeconomic policies in Vietnam.

Deep Reinforcement Learning vs. Mean-Variance Optimization: Portfolio Strategies for Vietnam's Transitioning Capital Market

Authors: **Minh Tuan Le** (Banking Academy Vietnam), Hai Dang Nguyen (University of Engineering and Technology, Vietnam National University)

As Vietnam's capital market approaches potential reclassification from frontier to emerging market status by MSCI and FTSE Russell, the need for advanced portfolio optimization strategies becomes increasingly critical. This paper investigates the comparative performance of Deep Reinforcement

Learning (DRL) models—specifically Advantage Actor-Critic (A2C) and Proximal Policy Optimization (PPO)—against the traditional Mean-Variance Optimization (MVO) framework in the context of Vietnam's dynamic financial environment. Utilizing historical data from the VN30 index, we conduct a series of backtests across varying market regimes, including accumulation, uptrend, and downturn phases. Our results demonstrate that DRL models consistently outperform MVO in terms of Sharpe ratio, Calmar ratio, and return stability, particularly when trained on full-cycle market data. These findings underscore the adaptability and robustness of DRL in non-stationary markets and highlight its potential to redefine asset allocation strategies in emerging economies. By integrating machine learning with financial theory, this study contributes to the growing body of literature supporting the practical viability of DRL-based portfolio management in the era of digital finance.

D3. CEOs and Compensation

CEO Characteristics and Corporate Emission Releases

Authors: **Bao Linh Do** (VinUniversity), Thu Huong Le (International School, Vietnam National University), Tung Nguyen (Academy of Policy and Development), Andros Gregoriou (Liverpool John Moores University)

This research explores the relationship between CEO traits and corporate greenhouse gas emissions. Drawing on the upper echelons theory, we hypothesize that firms with younger, female, less tenured CEOs, and those with higher educational backgrounds, are more likely to adopt environmentally friendly practices. Based on a dataset of 3,224 firm-year observations from U.S. companies spanning 2010 to 2022, our results show that younger and female CEOs are associated with significantly lower levels of greenhouse gas emissions, supporting our hypothesis. Furthermore, CEOs with higher educational qualifications and longer CEO tenure demonstrate greater attention to environmental concerns. Our study also underscores the role of firm size and financial constraints in moderating how CEO characteristics influence carbon emissions. These findings offer valuable insights for company boards, investors, and financial regulators, with particular relevance to the USA.

Climate Regulatory Risks and Executive Compensation: Evidence from U.S. State-Level SCAP Finalization

Authors: Qiyang He (University of Sydney), **Justin Hung Nguyen** (Edith Cowan University), Buhui Qiu (University of Sydney), Bohui Zhang (Chinese University of Hong Kong, Shenzhen)

Exploiting the staggered finalization of U.S. state-level climate adaptation plans (SCAP) that increases climate regulatory risks (CRRs) perceived by firms, we investigate the impact of CRRs on corporate executive compensation. Using a difference-in-differences (DiD) framework, we find that SCAP finalization reduces total CEO pay for treated firms headquartered in adopting states relative to control firms in non-adopting states. We attribute the reduction in CEO pay to three complementary mechanisms: cost sharing, incentive horizon shift, and risk-taking reduction. SCAP-induced regulatory burdens lead boards to reduce discretionary compensation components, such as cash bonuses and perks, to share regulatory costs with executives. SCAP finalization also prompts a shift in executive incentives from short-term cash compensation to long-term equity-based rewards, with treated firms increasingly linking CEO pay to corporate environmental performance. Additionally, heightened regulatory pressure reduces incentives for risk-taking, as evidenced by declines in stock-option-based compensation and firm risk measures. Cross-sectional analyses reveal that the SCAP effect is more pronounced for firms being more sensitive to CRRs or facing greater external threats, while firms with powerful CEOs are less affected. Overall, this study highlights how CRRs influence the level and structure of corporate executive compensation.

Smart Matches: A Neural Network Approach to CEO-Firm Fit and Success

Authors: Sudip Datta (University of Missouri), **Anh Doan** (University of Missouri), Trang Doan (Eastern Illinois University)

We propose a deep learning framework to evaluate CEO-firm compatibility and predict firm performance based on CEO traits and organizational context. Using a feedforward neural network (FNN), we model complex, nonlinear relationships between executive characteristics and future adjusted returns, achieving high predictive accuracy. Our model incorporates interaction terms between CEO attributes and firm-level filters – such as firm value, market-to-book ratio, and financial constraints – to capture the contingent nature of CEO impact. SHAP-based interpretability reveals that traits like network size, educational prestige, insider status, and management experience drive firm success, but their predictive importance varies across firm environments. The model achieves strong out-of-sample performance with efficient training dynamics and no overfitting, demonstrating the power of machine learning to advance both predictive and theoretical insight in corporate governance research.

E1. Corporate Finance and Financial Technology

Earnings Announcements and Return Noise: Evidence from the Impact of Peer Returns on IPO Offer Price Revision

Authors: Xiaoxu Ling (Hong Kong Polytechnic University), Ivy Zhang (University of California, Riverside), **Yong Zhang** (Hong Kong Polytechnic University)

Since Ball and Brown (1968), research has focused on how earnings announcements affect the level of stock prices. More recently, Arya et al. (2017) propose analytically that accounting disclosure plays an additional, previously unexplored role: reducing noise in stock prices, thereby enhancing their decision-usefulness. Providing empirical evidence on this role, we study whether stock returns capturing earnings news contain less noise than those reflecting other news by assessing their decision-usefulness. Specifically, we examine the extent to which industry peer returns around earnings announcements and peer returns capturing other news outside earnings announcement windows are differentially useful for IPO offer price revisions during the pre-IPO quiet period. The pre-IPO quiet period offers a suitable setting because it is a time when (1) peer news is a critical source of information for IPO valuation, and (2) information transfer is largely unidirectional due to strict pre-IPO quiet period restrictions and the absence of issuer stock prices that constrain the flow of information from issuers. We find that IPO offer price revisions are 60% more sensitive to peer returns around earnings announcements than peer returns capturing other news, suggesting that earnings announcements result in less noise in stock returns. High accounting comparability and reporting quality of peers further improve the usefulness of peer earnings news. Issuers avoid timing their IPO offerings to immediately precede peer earnings announcements, consistent with earnings announcements being important information events for valuation. We provide initial evidence on the effect of earnings announcements in reducing noise in stock prices.

Assessing Strategic Value Creation in Corporate Acquisitions: Insights from Cardinal Measures of Corporate Culture

Authors: Sudip Datta (University of Missouri), **Trang Doan** (Eastern Illinois University), Manoj Kulchania (Wayne State University)

We utilize firm-level *cardinal* measures of five dimensions of culture, derived from textual analysis of earnings call transcripts, to examine the role of culture on value-creation in corporate acquisitions. Our findings reveal three key insights: First, culture of the acquiring firm has a more significant impact on target announcement returns than culture of the target firm. Second, cultural similarity between the acquiring and target firms positively influences acquisition announcement returns, whereas cultural dissimilarity negatively affects acquirer returns. Third, the effect of cultural similarity is more

pronounced in horizontal acquisitions, indicating that cultural differences can destroy value, particularly in complex integrations. These results underscore the critical role of culture in value creation during merger announcements, extending beyond the explanations based on governance or complementary assets.

The Nexus Between Financial Technology and Financial Inclusion in the ASEAN

Authors: **Hemali Abeysooriya** (Federation University), Sisira Colombage (Federation University), Bhava Antony (Federation University)

Financial inclusion is pivotal for economic development, specially in emerging markets. The Association of Southeast Asian Nations (ASEAN) region has witnessed significant growth in financial technology (FinTech), which has the potential to accelerate financial inclusion by providing accessible and affordable financial services. This study examines the determinants of financial inclusion in ASEAN, with a notable focus on the role of FinTech. Data were extracted from the Global Findex database, World Bank, and IMF database (Financial Access Survey (FAS data) from 2010 to 2023. A three-stage Principal Component Analysis (PCA) was employed to identify the key variables influencing financial inclusion in the ASEAN region, specially in relation to financial technology, thereby reducing multicollinearity in regression models. The analysis includes the most developed six economies in the ASEAN region (Indonesia, Malaysia, the Philippines, Thailand, Singapore, and Vietnam). The results reveal that financial inclusion and financial technology have experienced significant growth in ASEAN, with varying degrees throughout different countries in the region. FinTech has had a significant impact on financial inclusion over the selected time frame, specially during the COVID-19 pandemic. This study provides a robust foundation for future research and continuous monitoring while ensuring the efforts to accelerate data-driven financial inclusion, are effective, and sustainable, ultimately contributing to more sustainable economic development across the ASEAN region.

E2. Sentiment

Fundamental Sentiment and Cryptocurrency Risk Premia

Authors: **My Nguyen** (Fulbright University, Vietnam), Ganesh Viswanath-Natraj (University of Warwick), Ilias Filippou (Florida State University)

This paper examines the cross-sectional predictive ability of text-based fundamental factors in the cryptocurrency market. Using BERT topic modeling, we construct a Fundamental Sentiment Index (FSI) from news articles related to cryptocurrencies. We find that cryptocurrencies with high exposure to fundamental sentiment, typically payment and platform tokens, earn a risk premium, while governance tokens hedge against fundamental risks. Currency betas correlate with blockchain value metrics, such as the ratio of users and transactions to market cap. A long-short strategy based on FSI exposure delivers statistically significant returns, highlighting the importance of fundamental sentiment in explaining cryptocurrency returns beyond traditional factors.

A Quantile Methods Based Analysis of Demand Derived from Product Attribute Sentiments Within Online Reviews

Authors: **Abhijit Sharma** (University of Huddersfield), Sreelakshmi Sajeew (University of Huddersfield), Artur Semeyutin (University of Huddersfield), Jialin Snow Wu (University of Huddersfield)

Customer decision-making benefits greatly from the information provided by product reviews. Past research incorporates the impact of product reviews on sales rank based on the total number and rating of reviews. We posit that the numerical review elements, such as rating or the number of online reviews alone fall short of accurately expressing the review sentiment. Additionally, prior research has overlooked the degree of fake reviews. We use econometric and machine learning approaches to

examine the relationship between the sentiment of product attributes in each review sentence and product sales on Amazon and how it varies between real and fake reviews. We use unique, high-frequency daily sales rank data of 50 GPUs and 50 USBs with all the reviews posted for these products on the website. We argue that the general notion regarding positive sentiments favouring demand and vice versa is reliant upon product categories and the truth value of reviews. It is also observed that the sentiment of product attributes has the same role in explaining the demand for 'search goods' as numerical review features, such as order, length, rating and standard deviation of rating. The results showed contrasting trends between real and fake reviews, as well as across different product categories, GPU, and USB. Our research has significance in determining the relative importance of product attribute sentiments and fake reviews in online marketplaces and applying this understanding to predict shifts in product demand.

Crash Narratives and Predictability

Authors: **John Cotter** (University College Dublin), **Richard McGee** (University College Dublin), **Xiaomeng Wang** (University College Dublin)

This paper documents the superior predictive power of recently proposed Crash Narratives for US stock market volatility. Compared to other volatility predictors, Crash Narratives are found to perform better during periods of high volatility and NBER recessions. They also produce accurate out-of-sample forecasts of the conditional variance. By employing the conditional variance forecasts based on Crash Narratives, we reexamine the strong return predictability of the variance risk premium, and develop a notably profitable volatility-managed portfolio strategy. This strategy outperforms the traditional volatility-managed portfolio and buy-and-hold strategies, yielding larger alphas and Sharpe ratios, with cumulative returns at least 25% greater than those of alternative strategies.

E3. Emerging Markets

Factor Influencing Customer Loyalty Towards E-Wallet Services in Vietnam: The Mediating Role of Trust ?

Authors: **Phuong Lan Le** (Foreign Trade University), **Hai Anh Nguyen** (Mobifone Corporation)

This study explores the factors influencing customer loyalty towards e-wallets in Vietnam, with a particular emphasis on the mediating role of trust (TRU). A total of 335 valid responses were collected from participants in the northern provinces of Vietnam. The research identifies key factors such as perceived usefulness (PU), perceived enjoyment (ENJ), perceived security/privacy (PS), and social influence (SI) that significantly impact customer loyalty. The study demonstrates that trust serves as a significant mediator in the relationships between these factors and customer loyalty. Specifically, the findings indicate that trust enhances the effects of perceived usefulness, perceived enjoyment, perceived privacy/security, and social influence on customer loyalty, supporting the hypothesis that trust is a critical driver in fostering long-term commitment to e-wallet services. This research contributes both theoretical and practical insights, offering valuable guidance for e-wallet service providers and regulators in Vietnam to strengthen customer loyalty by improving trust, security, and user experience.

ESG, Innovation and Firm Value: Evidence from Listed Firms in Vietnam

Authors: **Quyen Do Nguyen** (Foreign Trade University), **Nhi Yen Hoang** (Foreign Trade University), **Ngoc Thi Bao Nguyen** (Foreign Trade University), **Anh Phuong Nguyen** (Foreign Trade University), **Ngan Thi Trinh** (Foreign Trade University), **Uyen Mai Pham** (Foreign Trade University)

This study investigates how Environmental, Social, and Governance (ESG) performance and Innovation (measured by both R&D and a Green Innovation - GI) affect the firm value (proxied by

Tobin's Q) of 522 non-financial firms listed in the Vietnam stock exchange from 2012 to 2023. Based on the Refinitiv framework, ESG was manually assessed and collected via content analysis from firms' annual reports. Our findings imply that listed firms are in the early stage of implementing the E pillar while focusing more on the S and G pillars. As a result, the impact of ESG on firm value is not very clear-cut, as it takes time for these ESG activities to transform into firm values. Innovation, proxied by R&D, is found to have a U-shape relationship with firm value, with variation among different firm sizes. Innovation, proxied by GI, is positively related to the value of small firms, while this effect is documented to gradually diminish as firm size increases, implying a "green innovation paradox". This finding suggests that sustainability initiatives provide competitive advantages primarily for smaller by enabling differentiation and niche positioning.

Trump's Tariffs and Financial Turbulence: Forecasting Volatility in U.S. Trading Partners' Stock Markets

Authors: **Minh Anh Duong** (Foreign Trade University), **Thai Nam Vuong** (Public Bank Vietnam)

This study investigates the volatility response of stock markets in the five largest trading partners of the United States (Mexico, China, Canada, Japan, and Germany) following the implementation of a new tariff policy by the Trump's administration in 2025. Using GARCH-family models, particularly GARCH(1,1) and EGARCH(1,1), we forecast short-term volatility and compare model performance. An equally weighted composite index of the five countries' stock markets is constructed to analyze collective exposure. Empirical results show elevated volatility with strong persistence, confirming the impact of policy-induced uncertainty. EGARCH significantly outperforms GARCH in capturing asymmetry and delivering more accurate forecasts. The findings offer insights into the implications of trade policy shocks on global financial markets and provide useful tools for investors and policymakers. **Keywords:** stock market volatility, GARCH, EGARCH, tariff policy, trade uncertainty.

The Moderating Effects of ESG Disclosures on Liquidity Creation and Cost Efficiency in Emerging Markets Banks

Authors: **Geetanjali Verma** (Indian Institute of Technology Delhi), **Smita Kashiramka** (Indian Institute of Technology Delhi)

The Basel Committee on Banking Supervision implemented Basel III norms in the wake of the global financial crisis (GFC) to ensure adequate liquidity, transparency, and bank oversight: sustainability disclosures can assist banks in meeting these goals effectively. Banks play a crucial part in providing liquidity to the economy; hence, we investigate whether the relationship between liquidity creation (LC) and banks' cost efficiency depends on their disclosure of environmental, social, and governance (ESG) practices. The sample spans 2013–2022 and includes 103 commercial banks from ten emerging economies (Argentina, Brazil, China, Indonesia, India, Mexico, Poland, Russia, Saudi Arabia, and Turkey). The cost efficiency scores are calculated using an input-oriented data envelopment analysis (DEA) approach. Using a two-step system generalized method of moments (GMM) estimator, the results show that ESG disclosure positively impacts LC. The results also highlight that cost efficiency has a positive impact on LC; however, this relationship is negatively moderated by ESG disclosure, implying that a higher ESG disclosure attenuates the beneficial impact of cost efficiency on LC. Overall, our results suggest that policymakers in emerging markets should encourage banks to engage in ESG initiatives to enhance financial intermediation while striking a balance between management efficiency and social welfare.

Index

First Name	Last Name	Affiliation	Sessions		
			Present	Discuss	Chair
Hemali	Abeysooriya	Federation University	E.1	C.2	
Sudipta	Bose	University of Newcastle, Australia	A.3	B.1	
Loc	Bui	Susquehanna University	A.1	B.2	
Kien	Cao	Foreign Trade University		E.3	
John	Cotter	University College Dublin	E.2	D.2	
Viet Anh	Dang	University of Manchester	B.1	D.3	A.3
Tung Lam	Dang	University of Economics, University of Danang		E.3	B.1
Bao Linh	Do	VinUniversity	D.3	E.2	
Nguyen Quyen	Do	Foreign Trade University	E.3		
Anh	Doan	University of Missouri	D.3	E.2	
Trang	Doan	Eastern Illinois University	E.1	B.2	D.3
Minh Anh	Duong	Foreign Trade University	E.3		
Huu Nhan	Duong	Monash University		A.1, E.1	A.1, E.1
Hai Ly	Ho	University of Economics, University of Danang	B.1	A.3	E.2
Khanh	Hoang	Lincoln University	A.3	B.1	
Tran	Huynh	Durham University	C.1	A.2	
George	Issa	University of Sydney	A.2	D.1	
Keith	Jakob	University of Montana	C.2	B.3	
Inkee	Jang	Hanyang University	A.2	C.1	
Madhu	Kalimipalli	Wilfred Laurier University	A.1	B.2	B.2
Ambrus	Kecskes	York University	D.1	D.1	
Phil	Kim	University of Massachusetts Lowell	D.1	C.3	
Minh Tuan	Le	Banking Academy Vietnam	D.2	E.1	
Van	Le	University of Newcastle, Australia	A.1	E.2	C.2
Jonathan	Lee	University of Glasgow	A.2	A.2	
Anna	Luong	University of Sydney	B.1	C.3	
Viola	Miao	Monash University	C.1	C.1	
Jan Niclas	Mueller	University of St. Gallen	B.3	E.1	
My	Nguyen	RMIT University	A.2	B.3	C.3
Nhut (Nick)	Nguyen	Auckland University of Technology	A.3	B.3	B.3
Ha	Nguyen	Foreign Trade University	A.3	B.1	
Trang	Nguyen	University of Bristol	B.2	C.2	
Minh	Nguyen	Newcastle University Business School, UK	B.2	B.2	
Alex (Mai Lan)	Nguyen	VinUniversity	B.2	E.3	D.1
Du	Nguyen	University of Missouri	B.3	C.1	
Yen Ngoc	Nguyen	St Francis Xavier University	C.1	A.2	A.2
Duc Duy (Louis)	Nguyen	Durham University	C.2	C.2	
Kim	Nguyen	University of Sheffield	C.2	A.1	
Manh Ha	Nguyen	Foreign Trade University & University of Nantes	D.2	D.2	
Justin Hung	Nguyen	Edith Cowan University	D.3	B.1	

My	Nguyen	Fulbright University	E.2	A.3	
Hai Anh	Nguyen	Mobifone Corporation	E.3		
Anh	Pham	RMIT University	B.3	D.2	D.2
Hieu	Phan	University of Massachusetts Lowell	C.3	D.3	E.3
Md Lutfur	Rahman	University of Newcastle, Australia	C.3	A.3	
Abhijit	Sharma	University of Huddersfield	E.2	D.1	
Jason	Tian	Swinburne University of Technology	A.1	B.3	C.1
Hong	Vo	International University, VNU-HCMC	C.3	A.3	
Tuyet Nhung	Vu	Loughborough University	B.1	D.3	
George	Wang	Monash University	B.3	A.1	
Yong	Zhang	Hong Kong Polytechnic University	E.1	C.3	
Haikun	Zhu	China Europe International Business School	B.2	A.2	
Yifeng	Zhu	Central University of Finance and Economics	D.2	A.1	

Institutional Co-organizers

VIETNAM FINANCE ASSOCIATION INTERNATIONAL



The Vietnam Finance Association International (VFAI) is a UK-registered Charity Incorporated Organization. Our mission is to advance research and education in finance and economics, particularly in Vietnam, by:

- promoting academic research for the public benefit and the publication of useful results
- organizing conferences and seminars
- facilitating research collaborations and exchange of ideas in finance and economics

JOIN US AT

<http://www.vfainternational.org/>

+ President: Hieu Phan (*University of Massachusetts Lowell*)

+ Vice President Secretary: Viet Cao (*Monash University*)

+ Vice President Treasurer: My Nguyen (*RMIT*)

+ Vice President Membership and Marketing: Thuy Simpson (*Grand Valley State University*)

+ Vice President North America: Anh Tran (*University of Connecticut*)

+ Vice President Europe: Anh Luong Tran (*City University of London*)

+ Vice President APAC: Huu Nhan Duong (*Monash University*)

+ Vice President Vietnam: Kien Dinh Cao (*Foreign Trade University*)

FOREIGN TRADE UNIVERSITY, VIETNAM



The mission of the Foreign Trade University (FTU) is to nurture talents and provide high-quality human resources specializing in economics, international business, business administration, finance and banking, technology, and foreign languages to create and transfer state-of-the-art knowledge, develop learning and research capabilities and professional working methods in an internationally competitive environment; disseminate expertise and experience to meet the demand of the business community and economy; and become a center for cultural and educational exchange among countries all over the world.

HANOI

91 Chua Lang St., Hanoi

Phone: (84-4) 32595158

Fax: (84-4) 38343605

Website: <http://www.ftu.edu.vn>

HO CHI MINH CITY

15 D5, 25th Dist., HCM City

Phone: (84-8) 3512 7254

Fax: (84-8) 3512 7255

QUANG NINH

Nam Khe, Uong Bi City, Quang Ninh Province

Phone: (84-33) 385 6481

Fax: (84-33) 385 2557

UNIVERSITY OF ECONOMICS – THE UNIVERSITY OF DANANG



University of Economics (UE-UD), located in Danang city, is a member of the University of Danang – one of the ten leading universities in Vietnam. Forty two years of vigorous growth witnesses the UE-UD achieving a variety of historical milestones. The UE-UD has become not only a nationally prestigious multidisciplinary higher educational institution, but also a leading research center for business management consultancy and economic knowledge transfer in Vietnam. The UE-UD offers a wide range of programs, including 05 doctoral, 06 master, and 27 undergraduate programs. The University currently has an enrollment of 12,000 students in both full-time and part-time courses.

DA NANG CITY

71 Ngu Hanh Son St.,

Da Nang City

Phone: (84) 511 395 8635

Website: <http://due.udn.vn>

UNIVERSITY OF ECONOMICS HO CHI MINH CITY



University of Economics Hochiminh City (UEH) is a multi-disciplinary university with various levels and modes of education, from bachelors to PhDs. UEH's teaching staff all have been trained from high reputation institutes all over the world. Annually, there is a large enrolment number of students that makes UEH become one of the largest Vietnamese universities in the field economics and business administration. In addition, UEH is also a center for scientific research which focuses on economic discovery, analysis and consulting in the process of development of Vietnam as well as contribution to economic theories.

HO CHI MINH CITY

1. Campus A

Add: 59C Nguyen Dinh Chieu St., Vo Thi Sau Ward, Dist. 3, HCMC

2. Campus B

Add: 279 Nguyen Tri Phuong, Ward 5, Dist. 10, HCMC

3. Campus C

Add: 91, 3/2 St., Ward 11, Dist. 10, HCMC

4. Campus D

Add: 196, Tran Quang Khai St., Tan Dinh Ward, Dist. 1, HCMC

5. Campus E

Add: 54, Nguyen Van Thu St., Dakao Ward, Dist. 1, HCMC

6. Campus H

Add: 1A, Hoang Dieu St., Ward 10, Phu Nhuan Dist., HCMC

7. Campus I

Add: 17 Pham Ngoc Thach St., Vo Thi Sau Ward, Dist. 3, HCMC

8. Campus: 144 Truong Dinh Hoi St., Ward 16, Dist. 8, HCMC

9. Campus: 311 - 319, Gia Phu St., Ward 1, Dist. 6, HCMC

10. Campus: City South

Add: Nguyen Van Linh St., Function Area 15, Phong Phu Commune, Binh Chanh Dist., HCMC

Website: <http://www.ueh.edu.vn>

INTERNATIONAL UNIVERSITY – VIETNAM NATIONAL UNIVERSITY HO CHI MINH CITY



International University (IU) – a university member of Vietnam National University Ho Chi Minh City, was established in 2003, is the first multidisciplinary public university in Vietnam to use English as the primary language in teaching and research, to become one of the leading research universities in Vietnam and Asia, in the long run. The focus has been on offering academic majors that are aligned with the growing demand for human resources in such fields as economics, management, science, and technology. IU's overall model adheres to the international standards with several top universities in the United States, Europe, and Asia. Among 7,000 universities in Southeast Asia, IU is one of the 07 universities being accredited, at the institutional level, by the ASEAN University Network Quality Assurance (AUN-QA). The school is also fully accredited by the Vietnam Ministry of Education and Training in 2016 and ASIIN in 2023.

HO CHI MINH CITY

Quarter 6, Linh Trung Ward, Thu Duc City, Ho Chi Minh City
Phone: (028) 37244270
Fax: (028) 37244271
Email: info@hcmiu.edu.vn
Website: <https://hcmiu.edu.vn/en/>
Website EFA: <https://efa.hcmiu.edu.vn/>

VINUNIVERSITY



VINUNIVERSITY

College of Business and Management

HANOI

Vinhomes Ocean Park, Gia Lam District, Hanoi
Phone: (084) 2471 089 779 (ext. 9060)
Email: info@vinuni.edu.vn
Website: <https://vinun.edu.vn>

VinUniversity is a private, not-for-profit university established by Vingroup – the largest private conglomerate in Vietnam. VinUni aspires to become a university of excellence with a mission to develop talents for the future. The University has built strategic collaborations with Cornell University and the University of Pennsylvania — a choice that speaks to our commitment to excellence, innovation in research and teaching, and to making a difference in the world.

UNIVERSITY OF MASSACHUSETTS LOWELL



LOWELL, MA (USA)

220 Pawtucket St, Lowell, MA
01854

Phone: (1) 978 934 4000

Websites: <https://www.uml.edu>

<https://www.uml.edu/msb/>

UMass Lowell is a Research 1 university committed to preparing students for work in the real world— solving real problems and helping real people— by providing an affordable, high-quality education.

The UMass Lowell Robert J. Manning School of Business delivers high quality, accessible undergraduate and graduate education. We produce influential research and provide an inclusive learning environment that offers rigorous, transformative experiences. Our students engage in entrepreneurial opportunities to explore innovation and the power of inter-disciplinary collaboration. Manning graduates are work ready and prepared to contribute to the global business community.

Conference Sponsor



Deposit Insurance of Vietnam (DIV), established in 1999, is a state-owned financial institution operating for non-profit purposes. As the sole deposit insurer in Vietnam, the DIV is responsible for protecting the legitimate rights and interests of depositors, implementing deposit insurance policy that contributes to the stability of the credit institutions system, and ensures the safe and sound development of banking activities. As of December 31, 2023, the DIV protected depositors at 1,280 insured institutions in Vietnam.

Headquarters: *Lot D20, Ton that Thuyet Street, Dich Vong Hau Ward, Cau Giay District, Hanoi City, Vietnam*

Website: <https://div.gov.vn/>

Phone: (84-24) 3974 2886