

# MASAHIRO WATANABE

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School of Business - Finance  
University of Alberta  
Edmonton, Alberta T6G 2R6  
Canada

Phone: 780-492-7343  
Fax: 780-492-3325  
masahiro.watanabe@ualberta.ca  
<http://www.ualberta.ca/~masa/>

## Education

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Ph.D., Management (Financial Economics), Yale University, 2003  
MBA, Analytic Finance and Econometrics, University of Chicago, 1996  
B.Eng., Electronic Engineering, University of Tokyo, Japan, 1991

## Academic Appointment

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- Associate Professor of Finance, School of Business, University of Alberta, July 2009-Present.
- Assistant Professor of Management, Jones Graduate School of Management, Rice University, July 2003-June 2009.
- Scott Schoen Visiting Fellow, Yale School of Management, July-August 2006.

## Publications

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- “Strategic Disclosure and Stock Returns: Theory and Evidence from U.S. Cross-listing,” (with Shingo Goto and Yan Xu), *Review of Financial Studies*, 2009, 22 (4), 1585-1620.
  - 2007 FMA Best Paper Award in Financial Institutions
- “Time-Varying Liquidity Risk and the Cross Section of Stock Returns,” (with Akiko Watanabe), *Review of Financial Studies*, November 2008, 21 (6), 2449-2486.
  - First place, 2006 Turnaround Management Association Paper Competition
- “Price Volatility and Investor Behavior in an Overlapping Generations Model with Information Asymmetry,” *Journal of Finance*, February 2008, 63(1), 229-272.

## Working Papers

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- “Evidence on Retrieved Context: How History Matters,” 2022 (with William N. Goetzmann and Akiko Watanabe)
- “Cohort Effects on Expected Co-Movement,” 2022 (with William N. Goetzmann and Akiko Watanabe)
- “Supply Ambiguity and Market Fragility,” 2020
- “Investment Shocks and Asset Prices: International Evidence,” 2019 (with Ruchith Dissanayake and Akiko Watanabe)
  - Semi-finalist for best paper awards, FMA 2016
- “The Pre-FOMC Announcement Drift: A Pumping Explanation,” 2018 (with Aditya Kaul)
- “Looking Forward: Management Earnings Forecasts and the Value Effect,” 2018 (with Takato Hiraki and Akiko Watanabe)

- Forecasted Earnings-to-price (FEP) factor replicated and marketed by Financial Data Solutions, Inc., a subsidiary of IFIS Japan (listed on the First Section, Tokyo Stock Exchange)
- “Rational-expectations whiplash,” 2018 (with Efstathios Avdis)
- “Estimating Ambiguity Premium under the Robust CAPM,” 2017 (with Katsutoshi Wakai)
- “A Model of Stochastic Liquidity,” 2014
- “Procyclical Stocks Earn Higher Returns,” 2012 (with William N. Goetzmann and Akiko Watanabe)
- “Product Market Competition and Equity Returns,” 2011 (with Evgeny Lyandres)
- “Dynamic Corporate Capital Stocks: Cross-sectional and Inter-temporal Stock Return Patterns,” 2010 (with Jacob Sagi and Matthew Spiegel)

#### **Work in Progress**

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- “Synthesizing Characteristics for Portfolio Management,” 2020 (with Takato Hiraki)

#### **Permanent Working Papers for Reference**

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- “Marking-to-Market, Liquidity Provision and Asset Prices,” 2010 (with Jefferson Duarte)
- “Price Impact Costs and the Limit of Arbitrage,” 2005 (with Zhiwu Chen and Werner Stanzl)
- “Investor Sentiment in Japanese and U.S. Daily Mutual Fund Flows,” 2005 (with Stephen J. Brown, William N. Goetzmann, Takato Hiraki, and Noriyoshi Shiraishi)

#### **Academic Presentations (my own presentations only)**

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- Northern Finance Association Meetings, Banff, September 2022
- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2019
- Northern Finance Association Meetings, Charlevoix, September 2018
- Asian Finance Association Meetings, Tokyo, June 2018
- Alberta/Calgary Finance Workshop, Lake Louise, November 2017
- Nippon (Japanese) Finance Association Meetings, Yokohama, May 2016
- Development Bank of Japan, May 2016
- Northern Finance Association Meetings, Lake Louise, September 2015, two presentations
- Japanese Economic Association Meetings, Niigata, May 2015
- Development Bank of Japan, May 2015
- University of Regina, October 2014
- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2014
- Development Bank of Japan, May 2014
- Financial Management Association Meetings, Tokyo, May 2014
- Hitotsubashi University, July 2013
- Development Bank of Japan, July 2013
- Northern Finance Association Meetings, Niagara, Canada, September 2012
- Workshop on Time-Varying Expected Returns, BI Norwegian Business School, Oslo, Norway, June 2012

- Yokohama National University, May 2012
- Development Bank of Japan, May 2012
- Nagoya University, May 2012
- Nippon (Japanese) Finance Association Meetings, Tokyo, May 2012
- Osaka University, May 2011
- American Finance Association Meetings, Denver, CO, January 2011, two presentations
- Australian National University, November 2010
- University of Melbourne, October 2010
- Queensland University of Technology, October 2010
- Paul Woolley Centre Conference, University of Technology Sydney, October 2010
- University of Miami, October 2010
- Nippon (Japanese) Finance Association Meetings, Tokyo, May 2010
- Waseda University, Tokyo, May 2010
- University of New South Wales, May 2010
- University of Technology, Sydney, May 2010
- University of Sydney, May 2010
- Simon Fraser University, March 2010
- Northern Finance Association Meetings, Niagara-on-the-Lake, Sep. 2009
- Nippon (Japanese) Finance Association Meetings, Tokyo, May 2009
- American Finance Association Meetings, San Francisco, CA, January 2009
- Indiana University, November 2008
- UNC-Duke Corporate Finance Conference, October 2008
- European Finance Association Meetings, Athens, Greece, August 2008
- Second Singapore International Conference on Finance, National University of Singapore, July 2008
- Asian/Nippon Finance Association Meetings, Yokohama, Japan, July 2008
- Tokyo Finance Workshop, University of Tokyo, Japan, July 2008
- Nomura Securities, Tokyo, Japan, July 2008
- Hitotsubashi University, Tokyo, Japan, June 2008
- INQUIRE UK, Cambridge, UK, September 2007
- Michigan State University, September 2007
- Lone Star Finance Symposium, Houston, Texas, September 2007
- European Finance Association Meetings, Ljubljana, Slovenia, August 2007
- Western Finance Association Meetings, Big Sky, Montana, June 2007
- McGill Conference on Global Asset Management, McGill University, Montreal, June 2007
- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2007
- Darden/NYSE Emerging Markets Conference, NYC, New York, March 2007
- Western Finance Association Meetings, Keystone, Colorado, June 2006
- Global Educational Symposium on Liquidity and Corporate Renewal, Turnaround Management Association, Chicago, Illinois, June 2006
- Nippon (Japanese) Finance Association Meetings, Tokyo, Japan, June 2006
- Tokyo Finance Workshop, Waseda University, Tokyo, Japan, June 2006
- Texas Finance Festival, San Antonio, Texas, April 2006
- European Finance Association Meetings, Moscow, Russia, August 2005
- Nippon (Japanese) Finance Association Annual Meetings, Tokyo, Japan, June 2005
- University of South Carolina, May 2005
- Assurant/Georgia Tech International Finance Conference, April 2005
- University of Alberta, January 2005

- European Finance Association Meetings, Glasgow, Scotland, August 2003
- Blaise Pascal Conference on Financial Modeling, Paris, France, July 2003
- Western Finance Association Meetings, Los Cabos, Mexico, June 2003
- New York University, February 2003
- University of Washington-Seattle, February 2003
- University of Wisconsin-Madison, February 2003
- Washington University, February 2003
- Rice University, February 2003
- University of California-Irvine, February 2003
- Georgia Institute of Technology, January 2003
- Boston College, January 2003
- University of Notre Dame, January 2003
- American Finance Association Meetings, Washington D.C., January 2003
- APFA/PACAP/FMA Meetings, Tokyo, Japan, July 2002
- Trading Technology Workshop, Tokyo, Japan, July 2002
- APFA/PACAP/FMA Meetings, Tokyo, Japan, July 2002
- Western Finance Association Meetings, Park City, Utah, June 2002
- European Finance Association Meetings, Berlin, Germany, August 2001, two presentations

#### **Recent Coauthor Presentations (since July 2016)**

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- University of Toronto, November 2021
- University of Amsterdam, online, May 2021
- University of Pennsylvania, online, December 2020
- Nippon (Japanese) Finance Association Meetings, Tokyo (online, COVID), June 2020
- European Finance Association Meetings, Warsaw, Poland, August 2018
- China International Conference in Finance, Tianjin, China, July 2018
- Asian Finance Association Meetings, Tokyo, Japan, June 2018
- Midwest Finance Association Meetings, San Antonio, TX, March 2018
- University of Queensland, Brisbane, Queensland, Australia, February 2018
- Queensland University of Technology, Brisbane, Queensland, Australia, February 2018
- Auckland Finance Meeting, Queenstown, New Zealand, December 2017
- European Economic Association Meetings, Lisbon, Portugal, August 2017
- SFS Cavalcade North America, Vanderbilt University, Nashville, TN, May 2017
- Financial Management Association Meetings, Las Vegas, NV, October 2016

#### **Professional Services**

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##### **Editorships**

- Associate Editor, *Japan and the World Economy*, 2008-present
- Associate Editor, *International Review of Finance*, 2008-present
- Guest Editor, special issue on Financial Economics, *Japan and the World Economy*, 2019-2021

##### **Board/Supervisory Committee Membership**

- International Examination Committee (IEC), Association of Certified International Investment Analysts (ACIIA), January 2017-present
- Director, Nippon (Japanese) Finance Association, 2012-2014

##### **Journal Refereeing**

- *Journal of Finance, Review of Financial Studies, Econometrica, Review of Economic Studies, Journal of Economic Theory, Journal of Economic Dynamics and Control, Economic Journal, Journal of Financial and Quantitative Analysis, Review of Asset Pricing Studies, Journal of Financial Markets, Journal of Empirical Finance, Journal of Banking and Finance, Financial Management, Review of Finance, Management Science, Journal of International Business Studies, Scandinavian Journal of Economics, International Review of Finance, Japan and the World Economy, Journal of the Japanese and International Economies*

**Associate Program Chair**

- Northern Finance Association Meetings, Banff, Canada, September 2022

**Program Committee Member**

- European Finance Association Meetings, by Vrije Universiteit Amsterdam, Netherlands, August 2023
- Northern Finance Association Meetings, Banff, Canada, September 2022
- European Finance Association Meetings, IESE Business School, Spain, August 2022
- Northern Finance Association Meetings, online, September 2021
- European Finance Association Meetings, Milan, Italy, August 2021
- European Finance Association Meetings, Helsinki, Finland, August 2020
- Northern Finance Association Meetings, Vancouver, Canada, September 2019
- European Finance Association Meetings, Carcavelos, Portugal, August 2019
- Western Finance Association Meetings, Huntington Beach, California, June 2019
- Northern Finance Association Meetings, Charlevoix, Canada, September 2018
- European Finance Association Meetings, Warsaw, Poland, August 2018
- Western Finance Association Meetings, Coronado, California, June 2018
- Asian Finance Association Meetings, Tokyo Japan, June 2018
- Northern Finance Association Meetings, Halifax, Canada, September 2017
- European Finance Association Meetings, Mannheim, Germany, August 2017
- Asian Finance Association Meetings, Seoul, Korea, July 2017
- Western Finance Association Meetings, Whistler, BC, Canada, June 2017
- Annual Conference on Financial Economics & Accounting, Toronto, September 2016
- Northern Finance Association Meetings, Mont Tremblant, Canada, September 2016
- European Finance Association Meetings, Oslo, Norway, August 2016
- Western Finance Association Meetings, Park City, Utah, June 2016
- Asian Finance Association Meetings, Bangkok, Thailand, June 2016
- Northern Finance Association Meetings, Lake Louise, Canada, September 2015
- European Finance Association Meetings, Vienna, Austria, August 2015
- Western Finance Association Meetings, Seattle, Washington, June 2015
- Asian Finance Association Meetings, Changsha, China, June 2015
- Northern Finance Association Meetings, Ottawa, September 2014
- European Finance Association Meetings, Lugano, Switzerland, August 2014
- Western Finance Association Meetings, Monterey Bay, California, June 2014
- Asian Finance Association Meetings, Indonesia, June 2014
- Northern Finance Association Meetings, Quebec City, Quebec, September 2013
- European Finance Association Meetings, Cambridge, UK, August 2013
- Asian Finance Association Meetings, Nanchang, China, July 2013
- International Review of Finance Conference, Tokyo, Japan, July 2013
- Western Finance Association Meetings, Lake Tahoe, Nevada, June 2013

- Northern Finance Association Meetings, Niagara Falls, Ontario, September 2012
- Western Finance Association Meetings, Las Vegas, Nevada, June 2012
- Financial Management Association Annual Meetings, Denver, Colorado, October 2011
- Edwards Symposium on Financial Markets and Institutions, U. of Saskatchewan, July 2011
- Financial Management Association Annual Meetings, New York City, October 2010
- Financial Management Association Annual Meetings, Reno, Nevada, October 2009
- Western Finance Association Meetings, San Diego, California, June 2009
- APFA/PACAP/FMA Meetings, Tokyo, Japan, July 2002

#### **Session Chair**

- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2019
- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2018
- Northern Finance Association Meetings, Lake Louise, Canada, September 2015
- European Finance Association Meetings, Cambridge, UK, August 2013
- Frontiers in Finance, Banff, Canada, June 2013
- Northern Finance Association Meetings, Niagara Falls, Ontario, September 2012
- Frontiers in Finance, Banff, Canada, June 2012
- Financial Management Association Annual Meetings, Reno, Nevada, October 2009
- Northern Finance Association Meetings, Kananaskis, Canada, September 2008

#### **Discussant**

- Northern Finance Association Meetings, online, September 2021
- Nippon (Japanese) Finance Association Meetings, Tokyo (online), June 2021
- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2019
- Asian Finance Association Meetings, Tokyo, Japan, June 2018
- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2018
- Northern Finance Association Meetings, Lake Louise, Canada, September 2015
- Northern Finance Association Meetings, Ottawa, September 2014 (two discussions)
- Nippon (Japanese) Finance Association Meetings, Tokyo, June 2014
- Financial Management Association Meetings, Tokyo, May 2014
- American Finance Association Meetings, Philadelphia, January 2014
- Northern Finance Association Meetings, Quebec City, Canada, September 2013
- European Finance Association Meetings, Cambridge, UK, August 2013
- International Review of Finance Conference, Tokyo, Japan, July 2013
- Northern Finance Association Meetings, Niagara, Canada, September 2012 (two discussions)
- Nippon (Japanese) Finance Association Meetings, Tokyo, May 2012
- DBJ International Conference, Development Bank of Japan, Tokyo, November 2011
- Northern Finance Association Meetings, Vancouver, Canada, September 2011
- European Finance Association Meetings, Stockholm, Sweden, August 2011
- Nippon (Japanese) Finance Association Meetings, Tokyo, May 2011
- Frontiers in Finance, Banff, Canada, July 2010
- American Finance Association Meetings, Atlanta, January 2010
- Northern Finance Association Meetings, Niagara-on-the-Lake, September 2009
- European Finance Association Meetings, Bergen, Norway, August 2009
- Frontiers in Finance, Banff, Canada, July 2009
- Western Finance Association Meetings, San Diego, June 2009
- Lone Star Finance Symposium, University of Texas at Dallas, September 2008

- Northern Finance Association Meetings, Kananaskis, Canada, September 2008 (two discussions)
- European Finance Association Meetings, Athens, Greece, August 2008
- Frontiers in Corporate Finance and Governance, Banff, Canada, August 2008
- Western Finance Association Meetings, Hawaii, June 2008
- Asian/Nippon Finance Association Meetings, Yokohama, Japan, July 2008
- European Finance Association Meetings, Ljubljana, Slovenia, August 2007 (two discussions)
- Second Annual Empirical Asset Pricing Retreat, University of Amsterdam, Amsterdam, Netherlands, June 2006
- European Finance Association Meetings, Moscow, Russia, August 2005
- European Finance Association Meetings, Berlin, Germany, August 2002
- APFA/PACAP/FMA Meetings, Tokyo, Japan, July 2002 (two discussions)

#### **Panel Discussions**

- Alberta Finance Institute, Calgary, Alberta, July 2012
- Global Educational Symposium on Liquidity and Corporate Renewal, Turnaround Management Association, Chicago, Illinois, June 2006

#### **Thesis Advising**

(First position in parentheses for doctoral graduates)

- Rodrigo Cardenas, University of Alberta, 2018-present, Ph.D. thesis committee member
- Sihan Zhang, University of Alberta, 2020-present, Ph.D. thesis committee member
- Joseph Decoste (University of New Brunswick), University of Alberta, 2018-2022, Ph.D. thesis supervisor
- Ruchith Dissanayake (Queensland University of Technology), University of Alberta, 2012-2017, Ph.D. thesis supervisor
- Behnam Torabi (AIMCo), University of Alberta, 2010-2017, Ph.D. thesis supervisor
- Ahmad Al-Haji (University of Quebec at Montreal), University of Alberta, 2014-2017, Ph.D. thesis committee member
- Anming Wu, University of Alberta, 2012-Present, Ph.D. thesis committee member
- Koosha Golmoham (City of Edmonton), University of Alberta (Computer Science), 2015-2016, Ph.D. thesis committee member
- David (Zhenyang) Tang (Clark University), University of Alberta, 2012-2014, Ph.D. thesis committee member
- Yi Fang, University of Alberta, 2013-2016, Ph.D. thesis supervisor
- Xutao Ma, Xi'an Jiaotong University, 2013-2014, University of Alberta Academic Visitor host
- Sichen Dong, University of Alberta, 2013-2014, Undergraduate Honours thesis supervisor
- Maher Trad, University of Alberta, 2012-2013, Undergraduate Researcher project supervisor

#### **Chair, External/Internal Examiner**

- Chair, Ph.D. candidacy exam, Arkadiy Lenchak, School of Business (Finance), University of Alberta, January 2023
- Social Sciences and Humanities Research Council of Canada (SSHRC), January 2023
- Arm's length examiner, Ph.D. final exam, Eiji Ohashi, School of Business (Accounting), University of Alberta, August 2021
- Chair, Ph.D. final exam, Bordin Bordeerath, School of Business (Finance), University of Alberta, July 2020

- Arm's length examiner, Ph.D. candidacy exam, Eiji Ohashi, School of Business (Accounting), University of Alberta, November 2019
- Arm's length examiner, MSc final exam, Ella Elazkany, Mathematics Department, University of Alberta, September 2019
- Supervisory committee, Ph.D. final exam, Sina Yansori, Mathematics Department, University of Alberta, January 2019
- Chair and examiner, Ph.D. comprehensive exams, School of Business, University of Alberta, June and August 2018
- Chair, Ph.D. candidacy exam, Bordin Bordeerath, School of Business, University of Alberta, August 2017
- Arm's length examiner, Ph.D. candidacy exam, Wenye Liu, Mathematics Department, University of Alberta, August 2017
- Arm's length examiner, Ph.D. candidacy exam, Sina Yansori, Mathematics Department, University of Alberta, May 2017
- Arm's length examiner, Ph.D. final exam, Ricardo Huaman-Aguilar, Mathematics Department, University of Alberta, August 2015
- Social Sciences and Humanities Research Council of Canada (SSHRC), January 2015
- Research Grants Council of Hong Kong, March 2014
- Research Grants Council of Hong Kong, March 2013 (two reviews)
- External examiner, Ph.D. Dissertation, Mehdi Karoui, McGill University, August 2012
- Research Grants Council of Hong Kong, March 2012
- External examiner, Ph.D. Dissertation, Yufen Fu, Simon Fraser University, April 2011
- Research Grants Council of Hong Kong, March 2011

#### **Book Review**

- David K. Eiteman, Arthur I. Stonehill, and Michael H. Moffett, *Multinational Business Finance*, 11<sup>th</sup> ed., February 2008
- Kirt Butler, *Multinational Finance*, 4<sup>th</sup> ed., Wiley, July 2007
- Warren Bailey, International Finance textbook project, Addison-Wesley, October 2004

#### **Testimonials**

- Kirt Butler, *Multinational Finance*, 4<sup>th</sup> ed., Wiley, July 2007

#### **Grants, Fellowships and Awards**

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- Insight Grant #435-2014-2150, Social Sciences and Humanities Research Council of Canada (SSHRC), CA\$69,736, 2014-2018 (applicant, with Akiko Watanabe, co-applicant)
- Insight Grant #435-2014-1808, Social Sciences and Humanities Research Council of Canada (SSHRC), CA\$73,188, 2014-2018 (co-applicant, with Akiko Watanabe, applicant)
- University of Alberta Faculty Grants, CA\$60,000, 2009-2019
- Standard Research Grant #410-2010-1555, Social Sciences and Humanities Research Council of Canada (SSHRC), CA\$77,500, 2010-2014 (principal investigator, with Akiko Watanabe, co-investigator)
- GRA Rice Faculty Fellowship, School of Business, University of Alberta, 2009-2010
- Scholarship Excellence Award, Jones Graduate School of Management, Rice University, 2008
- FMA Best Paper Award in Financial Institutions, 2007.
- First place with cash prize, Turnaround Management Association Paper Competition, 2006
- Ph.D. Student Travel Grant, Western Finance Association, 2003
- Yale University Fellowship, 1998-2002
- Heiwa Nakajima Foundation Fellowship, 1998-2000

- Rotary Foundation Fellowship, 1998-2001 (Declined offer)
- Sumitomo Bank Fellowship, 1994-1996

### **Teaching Experience**

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School of Business, University of Alberta, July 2009-Present.

- Advanced Seminar in Finance I: Financial Economics (Ph.D. Asset Pricing)
- International Finance (MBA, undergraduate)

Jones Graduate School of Management, Rice University, August 2003-June 2009

- International Finance (MBA, PMBA & EMBA)
- Economic Environment of Business (a macroeconomics course, MBA & PMBA)

Teaching Assistant, Yale School of Management

- Professor William N. Goetzmann, Empirical Research in Finance and Accounting (Ph.D.), Spring 2002
- Professor Jonathan E. Ingersoll, Jr., Financial Instruments and Contracts (MBA), Fall 2001, Fall 2000
- Professor Hua He, Financial Economics II (Ph.D.), Spring 2001
- Professor K. Geert Rouwenhorst, International Finance (MBA), Spring 2001
- Professor Zhiwu Chen, Financial Economics I (Ph.D.), Fall 2000

### **Industry Experience**

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- Associate, Financial Engineering Dept., Sumitomo Bank, Tokyo, Japan, 1991-1998  
Tailored risk management schemes using foreign-exchange and interest-rate derivatives. Structured asset-backed securities. Clients included over 30 companies listed on the Tokyo Stock Exchange and the New York Stock Exchange

### **Research Interests**

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Theoretical and Empirical Asset Pricing, Machine Learning, Market Microstructure, International Finance

### **Teaching Interests**

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International Finance, Investments, Derivative Securities and Financial Engineering, and Fixed Income Securities

### **Professional Affiliations**

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- Member, American Finance Association, 2001-Present
- Member, Society for Financial Studies and Western Finance Association, 2003-Present
- Member, American Economic Association, 2007-Present
- Member, European Finance Association, 2002-Present
- Member, Northern Finance Association, 2013-Present
- CMA (Chartered Member of the Securities Analysts Association of Japan), 1994-Present
- Member, Nippon (Japanese) Finance Association, 2003-Present
- Member, Japanese Economic Association, 2015-Present
- Member, Japanese Association of Financial Econometrics and Engineering, 1997-2008