MASAHIRO WATANABE

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Education

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

- 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

- "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

- "The Investment Value of Management Earnings Forecasts," 2012 (with Takato Hiraki 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," 2011 (with Jacob Sagi and Matthew Spiegel).

- "Procyclical Stocks Earn Higher Returns," 2010 (with William N. Goetzmann and Akiko Watanabe).

- "A Model of Stochastic Liquidity," 2008.

- "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).

Work in Progress

- "Marking-to-Market, Liquidity Provision and Asset Prices," 2010 (with Jefferson Duarte).

Professional Presentations (my own presentations only)

Conferences

"Procyclical Stocks Earn Higher Returns"

- American Finance Association Meetings, Denver, CO, January 2011.
- Nippon (Japanese) Finance Association Meetings, Tokyo, May 2010.

"Dynamic Corporate Capital Stocks: Cross-sectional and Inter-temporal Stock Return Patterns" (formerly titled "Equity Issuance and Expected Returns: Theory and New Evidence")

- American Finance Association Meetings, Denver, CO, January 2011.
- UNC-Duke Corporate Finance Conference, October 2008.
- European Finance Association Meetings, Athens, Greece, August 2008.
- Asian/Nippon Finance Association Meetings, Yokohama, Japan, July 2008.
- Second Singapore International Conference on Finance, National University of Singapore, July 2008.

"Marking-to-Market, Liquidity Provision and Asset Prices"

- Paul Woolley Centre Conference, University of Technology Sydney, Oct. 2010.

"Product Market Competition and Equity Returns"

- Northern Finance Association Meetings, Niagara-on-the-Lake, Sep. 2009.
- Nippon (Japanese) Finance Association Meetings, Tokyo, May 2009.

"Investor Expectations, Business Conditions, and the Pricing of Beta-Instability Risk"

- American Finance Association Meetings, San Francisco, CA, January 2009.
- Lone Star Finance Symposium, Houston, Texas, September 2007.

"Strategic Disclosure and Stock Returns: Theory and Evidence from U.S. Cross-listing"

- 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.

"Time-Varying Liquidity Risk and the Cross Section of Stock Returns"

- Western Finance Association Meetings, Keystone, Colorado, June 2006.
- Global Educational Symposium on Liquidity and Corporate Renewal, Turnaround Management Association, Chicago, Illinois, 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.

"Value Risk in International Equity Markets"

- Nippon (Japanese) Finance Association Meetings, Tokyo, Japan, June 2006.

"Investor Sentiment in Japanese and U.S. Daily Mutual Fund Flows"

- Assurant/Georgia Tech International Finance Conference, April 2005.
- European Finance Association Meetings, Berlin, Germany, August 2002.

"A Model of Stochastic Liquidity"

- European Finance Association Meetings, Glasgow, Scotland, August 2003.
- Western Finance Association Meetings, Los Cabos, Mexico, June 2003.

"Price Volatility and Investor Behavior in an Overlapping Generations Model with Information Asymmetry"

- Blaise Pascal Conference on Financial Modeling, Paris, France, July 2003.
- American Finance Association Meetings, Washington D.C., January 2003.
- APFA/PACAP/FMA Meetings, Tokyo, Japan, July 2002.

"Price Impact Costs and the Limit of Arbitrage"

- European Finance Association Meetings, Berlin, Germany, August 2002.
- Western Finance Association Meetings, Park City, Utah, June 2002.
- APFA/PACAP/FMA Meetings, Tokyo, Japan, July 2002.

Invited Seminars

"Product Market Competition and Equity Returns"

- Osaka University, May 2011.
- Australian National University, November 2010.
- University of Melbourne, October 2010.
- Queensland University of Technology, October 2010.
- University of Miami, October 2010.
- Waseda University, Tokyo, May 2010.

"Procyclical Stocks Earn Higher Returns"

- University of New South Wales, May 2010.
- University of Technology, Sydney, May 2010.
- University of Sydney, May 2010.
- Simon Fraser University, March 2010.

"Dynamic Corporate Capital Stocks: Cross-sectional and Inter-temporal Stock Return Patterns" (formerly titled "Equity Issuance and Expected Returns: Theory and New Evidence")

- Indiana University, November 2008.
- Nomura Securities, Tokyo, Japan, July 2008.
- Hitotsubashi University, Tokyo, Japan, June 2008.

"Investor Expectations, Business Conditions, and the Pricing of Beta-Instability Risk"

- INQUIRE UK, Cambridge, UK, September 2007.
- Michigan State University, September 2007.

"Time-Varying Liquidity Risk and the Cross Section of Stock Returns"

- Tokyo Finance Workshop, Waseda University, Tokyo, Japan, June 2006.

- University of South Carolina, May 2005.

"A Model of Stochastic Liquidity"

- University of Alberta, January 2005.

"Price Volatility and Investor Behavior in an Overlapping Generations Model with Information Asymmetry"

- Tokyo Finance Workshop, University of Tokyo, Japan, July 2008.
- 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.

"Price Impact Costs and the Limit of Arbitrage"

- Trading Technology Workshop, Tokyo, Japan, July 2002.

Professional Services

Editorial Positions

- Associate Editor, *Japan and the World Economy*, 2008-present.
- Associate Editor, *International Review of Finance*, 2008-present.

Ad hoc Referee

- *Journal of Finance, Review of Financial Studies*, *Econometrica*, *Review of Economic Studies, Economic Journal, Journal of Financial and Quantitative Analysis*, *Journal of Financial Markets*, *Journal of Empirical 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*

Program Committee Member

- 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
- Financial Management Association Annual Meetings, Reno, Nevada, October 2009.
- Northern Finance Association Meetings, Kananaskis, Canada, September 2008.

Discussant
- 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 Discussion
- Global Educational Symposium on Liquidity and Corporate Renewal, Turnaround Management Association, Chicago, Illinois, June 2006.

Ph.D. Advising
- Behnam Torabi, University of Alberta, 2010-Present.

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*, 11th ed., February 2008.
- Kirt Butler, *Multinational Finance*, 4th ed., Wiley, July 2007.
- Warren Bailey, International Finance textbook project, Addison-Wesley, October 2004.

Testimonials
- Kirt Butler, *Multinational Finance*, 4th ed., Wiley, July 2007.

Grants, Fellowships and Awards

- Standard Research Grant, Social Sciences and Humanities Research Council of Canada (SSHRC), CA$77,500, 2010 (3 years, co-investigator: Akiko Watanabe).
- 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 (Offer declined).
- Sumitomo Bank Fellowship, 1994-1996.

Teaching Experience

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

- 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

- 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

Theoretical and Empirical Asset Pricing, Market Microstructure.

Teaching Interests

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

Professional Affiliations

- Member, American Finance Association, 2001-Present.
- Member, Western Finance Association, 2003-Present.
- Member, Society for Financial Studies, 2003-Present.

- Member, American Economic Association, 2007-Present.
- Member, European Finance Association, 2002-Present.
- CMA (Chartered Member of Security Analyst Association of Japan), 1994-Present.
- Member, Nippon (Japanese) Finance Association, 2003-Present.
- Member, Japanese Association of Financial Econometrics and Engineering, 1997-2008.