

# Youngmin Choi

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CONTACT INFORMATION      One Baruch Way      *Tel:* +1 (404) 788-7649  
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Zicklin School of Business      *Homepage:* <https://sites.google.com/site/youngminchoi2018/>  
Baruch College, CUNY

ACADEMIC EMPLOYMENT      **Baruch College, City University of New York,**      New York, NY  
*Zicklin School of Business*  
Assistant Professor of Finance      *Aug 2018 - Present*

EDUCATION      **Georgia Institute of Technology,**      Atlanta, GA  
*Scheller College of Business*  
Ph.D. in Finance      *Aug 2018*  
M.S. in Quantitative and Computational Finance      *May 2012*  
**Yonsei University,**      Seoul, South Korea  
M.S. in Economics      *Aug 2010*  
B.S. in Mechanical Engineering and Business Administration      *Feb 2009*

RESEARCH INTERESTS      Empirical asset pricing, high-frequency data, derivative pricing

WORKING PAPERS      **“Complementarity of Passive and Active Investment on Stock Price Efficiency”**  
- *Financial Management Association (FMA) Annual Meetings, San Diego, Oct 2018 (Scheduled)*  
- *Northern Finance Association (NFA) Annual Meetings, Québec, Canada, Sep 2018 (Scheduled)*  
- *American Finance Association (AFA) Annual Meetings, Ph.D. Poster Session, Jan 2018*

I investigate the *collective* impact of passive and active investment on stock price efficiency using a quasi-natural experiment. I document an improvement in efficiency due to an exogenous increase in passive investment, specifically in stocks widely held by actively managed funds. These active funds are compensated with higher realized returns after an exogenous increase in passive investment. I use the reconstitution of Russell indexes as an instrument. My findings suggest that active funds seek out inefficient stocks and ultimately experience superior returns due to the improvement in efficiency from passive investment. An increase in analyst following and a decrease in analyst forecast dispersion are identified as economic channels of the efficiency improvement. Overall, my results highlight the complementary role of passive and active investment on price discovery due to symbiotic nature of their existence.

**“Realized Skewness for Information Ambiguity”** with Suzanne S. Lee

- *Financial Management Association (FMA) Annual Meetings, Las Vegas, Oct 2016*
- *Northern Finance Association (NFA) Annual Meetings, Québec, Canada, Sep 2016*

- *World Finance Conference, New York, Jul 2016*
- *Midwest Finance Association (MFA) Annual Meetings, Atlanta, Mar 2016*

We propose realized skewness constructed using high-frequency data as a measure of information ambiguity. We show a significant decrease in realized skewness around analysts' earnings forecasts and recommendation releases, indicating that ambiguity-averse investors respond to intangible information asymmetrically. We document that negative realized skewness predicts subsequent lower returns around information releases after controlling for return continuations. A zero-net investment strategy incorporating our finding achieves a Sharpe ratio of 1.766 with 0.83% of monthly average returns. Our finding suggests ambiguity-averse investors not only respond negatively but also under-react to hard-to-interpret news releases.

**“The Role of Efficient Analysts in Stock and Option Markets”** with Suzanne S. Lee

- *Midwest Finance Association (MFA) Annual Meetings, San Antonio, Mar 2018*
- *Northern Finance Association (NFA) Annual Meetings, Québec, Canada, Sep 2018 (Scheduled)*

We investigate the fundamental role of security analysts contributing to the improvement in stock price efficiency. We distinguish efficient analysts from noisy analysts using the signal-to-noise volatility ratio constructed with high-frequency data. Our analyses show efficient analysts' recommendation revisions significantly influence both stock and option markets, unlike revisions made by noisy analysts. We find only efficient analysts' recommendation revisions generate significant abnormal stock returns in expected directions. We also identify efficient analysts' recommendation revisions significantly increase option market activities associated with informed trading. We discover that these revisions resolve uncertainty about a firm and reduce jump risk in its stock price.

**“Predicting Market Risk Premium using Option Panels”** with Yoosoon Chang, Soohun Kim, and Joon Y. Park

- *Korea Advanced Institute of Science and Technology (KAIST), Dec 2016*

This paper offers a novel approach in identifying the relationship between the option prices and market risk premium using functional predictive regression. We provide evidence that the predictability of the aggregate market return can be greatly improved by utilizing the identified linkage between the cross-section of option prices and the cross-section of individual stock returns. Applying our framework into the option panel data on S&P 500 and the realized returns of individual stocks in S&P 500 over our sample period from January 1996 to December 2015, we achieve a remarkable performance in predicting S&P 500 index monthly returns, yielding 4.02% (5.26%) of in-sample (out-of-sample)  $R^2$ . Using the adaptive-lasso, we find that the information in risk-neutral density which contributes to the this stark improvement in the predictability is not spanned by the information in the existing predictors.

WORK IN  
PROGRESS

**“Time-varying Risk Premia on Higher Moments: Evidence from Stock and Option Markets”** with Soohun Kim and Suzanne S. Lee

**“Connectivity of Stock Market and the Cross-Section of Returns”**

ACADEMIC EXPERIENCE	<p><b>Georgia Institute of Technology,</b> Atlanta</p> <p><i>Instructor (Full-time teaching)</i></p> <ul style="list-style-type: none"> <li>- MGT-3078 Finance and Investment (Undergraduate, two sessions) <span style="float: right;"><i>Fall 2016</i></span></li> <li>: Overall teaching effectiveness scores of 4.6 and 4.8 on a scale of 5.0</li> <li>- MGT-3076 Investment (Undergraduate) <span style="float: right;"><i>Spring, Summer 2015</i></span></li> </ul> <p><i>Graduate Research Assistant</i></p> <ul style="list-style-type: none"> <li>- For Prof. Alex Hsu (Project “<i>Labor Constraints and the Impact on Firm Investment: Evidence from Right-to-Work Laws</i>”)</li> <li>- For Prof. Suzanne S. Lee</li> </ul> <p><i>Graduate Teaching Assistant</i></p> <ul style="list-style-type: none"> <li>- ISYE/MGT/MATH-6769 Fixed Income Securities (Prof. Alex Hsu)</li> <li>- MGT-3076 Investment (undergraduate, Prof. Suzanne S. Lee)</li> <li>- MGT-6080 Investment (MBA, Prof. Suzanne S. Lee)</li> </ul>
	<p><b>Yonsei University,</b> Seoul, South Korea</p> <p><i>Teaching assistant</i> <span style="float: right;"><i>August 2008 - August 2010</i></span></p> <p>Introduction of Financial Engineering (Undergraduate)</p> <p>Financial Engineering Seminar (Graduate)</p>
AWARDS AND HONORS	<p>Doctoral Student Travel Grant, American Finance Association (AFA) <span style="float: right;"><i>2016</i></span></p> <p>Doctoral Student Travel Grant, Korea-America Finance Association (KAFA) <span style="float: right;"><i>2016</i></span></p> <p>Doctoral Fellowship, Scheller College of Business, Georgia Institute of Technology <span style="float: right;"><i>2012-2016</i></span></p>
PROFESSIONAL EXPERIENCE	<p><b>Woori Investment and Securities Co.</b></p> <p>Hedge Fund Investment Group,</p> <p><i>Associate Manager</i></p> <ul style="list-style-type: none"> <li>- Conducted the analysis on global hedge funds to initiate third-party funds in South Korea</li> <li>- Monitored the performance of the investment in hedge funds of the company</li> <li>- Participated in launching Woori-New Alpha Global Seeding Fund</li> </ul>
COMPUTER SKILLS	<ul style="list-style-type: none"> <li>• Statistical Packages: SAS, Stata, R, Eview, and GAUSS</li> <li>• Languages: Matlab, C/C++, VBA, and Latex</li> </ul>