

VIET-DUNG DOAN

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Education

Purdue University, USA

Ph.D. in Finance

Expected 2023

University of Amsterdam, The Netherlands

M.Sc. Business Economics, Finance concentration

2015

National Economics University, Vietnam

B.S. Banking and Finance

2013

Research Interests

Mutual Funds, Exchange-Traded Funds, Over-the-Counter Markets, Municipal Bonds

Working Papers

[Exchange-Traded Funds and Transparency in OTC Markets](#) (*job market paper*)

2022

This paper explores a new channel through which exchange-traded funds (ETFs) can affect underlying asset prices. In over-the-counter markets, daily disclosure of ETF portfolio holdings increases pre-trade price transparency and thereby retail investors' bargaining power. I show that ETF-held municipal bonds have significantly smaller price dispersion than observationally similar non-ETF-held bonds. This effect cannot be explained by selection or ETFs' own trading activity. Conversely, ETF disclosure quality is associated with smaller bond price dispersion by up to 27 basis points. In the primary market, when municipalities have outstanding ETF-held bonds, their new issues have lower yields and smaller price dispersion.

Presented at AFA PhD Poster Session 2021, MFA 2021, FMA 2021, UT Austin PhD Student Symposium 2021.

[Informed Investors and Underpricing in Municipal Bond Offerings](#)

2022

This paper reveals a non-monotonic impact of local mutual funds on municipal bond issuance. Offering yields are higher in states with open-end municipal bond funds, and with larger aggregate fund size. However, holding local fund size constant, yields are decreasing in the number of funds. Such relations hold when local funds' primary market participation is instrumented with the similarities in characteristics of new issues and existing bonds in their portfolios. An extension of Rock (1986)'s IPO underpricing model incorporating imperfect signals available to informed investors further confirms my empirical findings. Despite higher borrowing cost, issuers benefit from local funds' certification resulting in both institutional and retail investors' higher demand.

Presented at MFA 2022, FMA 2022 (scheduled).

Mutual Fund Liquidity Creation (with Sergey Chernenko) 2022

We develop a novel measure of the dollar value of liquidity created by open-end mutual funds that compares the costs to investors of trading on their own in response to liquidity shocks with the costs incurred by mutual funds when trading in response to redemptions. Applying this measure to municipal bond funds, we show that during 2008–2017 funds create liquidity worth 1.80 cents per dollar of gross redemptions or 50 basis points of fund assets per year. We decompose liquidity creation into flow netting, liquidity management, and trade execution, and explore cross-sectional and time-series variation in liquidity creation.

Presented at MFA 2022, AFA 2023 (scheduled).

Forced Sales and Dealer Choice in OTC Markets (with Sergey Chernenko) 2022

We use trade-level data to study how municipal bond mutual funds trade in response to daily flows. Out of a dollar of outflows, 66–73 cents is initially satisfied using cash buffers. When forced to sell bonds to satisfy redemptions, funds sell more liquid bonds and trade with more central dealers, who may offer faster execution. Forced sales are especially likely to involve more central dealers when funds have little cash, sell lower rated bonds, or sell after periods of aggregate outflows. Funds incur larger markups when trading with more central dealers, but only when selling in response to outflows.

Presented at AFA 2022.

Work in Progress

Social Capital and Municipal Debt Utilization: Evidence from Municipal Bond Referendum
(with Sergey Chernenko, Ha Diep-Nguyen, Nathaniel Feige, and W. Ben McCartney)

Trust and Local Financing Cost: Evidence from Wells Fargo Scandal (with Sergey Chernenko)

Retail Investors and Complex Financial Disclosures (with Jake Liu)

Invited and Conference Presentations

*Including scheduled; * conference presentation by co-authors*

AFA Annual Meeting*	2023
AFA Annual Meeting • MFA Annual Meeting (x2) • FMA Annual Meeting	2022
AFA Poster Session • MFA Annual Meeting • UT Austin PhD Student Symposium • FMA Annual Meeting • Purdue University	2021

Teaching Experience

Purdue University

Instructor

MGMT 310 Financial Management (undergraduate)	2021
<i>Krannert Certificate for Outstanding Teaching</i>	

Teaching Assistant

MGMT 416 Corporate Mergers & Acquisitions (undergraduate)	2018–2021
MGMT 618 Seminar in Corporate Finance (PhD)	2019

Honors and Awards

Bilsland Dissertation Fellowship, Purdue University	2022
Krannert Doctoral Research Funds, Purdue University	2020–2022
Krannert Certificate for Outstanding Teaching Award, Purdue University	2021
PRF Research Grant, Purdue University	2020
Amsterdam Graduate Scholarship, University of Amsterdam	2014

Industry Experience

Rabobank International , The Netherlands Valuation Specialist	2015–2017
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Affiliations

CFA Charter Holder	2021–
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Languages and Skills

Languages: English (fluent), Vietnamese (native)

Skills: Stata, SAS, Python, Matlab, VBA, L^AT_EX

References

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