YOUNGMIN KIM

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ACADEMIC EMPLOYMENT

Purdue University, Daniels School of Business *Aug 2022 - Present*
Assistant Professor of Management, Finance Area

EDUCATION

New York University, Stern School of Business *2017 - 2022*
Ph.D. in Finance

New York University, Stern School of Business *2017 - 2021*
M.Phil. in Finance

Brown University *2015*
B.A. in Mathematics-Economics

RESEARCH INTERESTS

Asset Pricing, International Finance, Macro-Finance

WORKING PAPER

Heterogeneous Investment Horizons and Asset Prices

· I develop an asset pricing model with agents who have heterogeneous investment horizons. Differently from short-term investors, long-term investors hedge against reinvestment risk. In the model, risky investment opportunity is characterized as a scaled expected return of the tangency portfolio. I measure the unobservable risky investment opportunity by approximating the risky return space by Fama-French 5 factors and momentum. I construct long-short portfolios that are exposed to reinvestment risk premiums and find that they have significant positive average and risk-adjusted returns. I also test the portfolio choice implication of the model using 13F data by measuring an institution's investment horizon by its portfolio turnover rate and type. I find that long-term institutions overweight hedging assets relative to the market portfolio, which suggests that (i) investment opportunities are well estimated by the method developed in this paper and (ii) long-term investors' intertemporal hedging demand is significantly priced among assets.

Bubbles for Fama Revisited, with Matthew Richardson
R&R, Journal of Financial Economics

· Greenwood, Shleifer and You (2019, GSY) investigate Eugene Fama's claim that stock price bubbles are difficult to identify. GSY (2019) document a series of stylized facts that put into question Fama's view on bubbles. We reinterpret these empirical facts and find more support for Fama than implied by GSY (2019). Our key reinterpretation of GSY (2019) is not in the way they identify bubbles, but rather the subsequent crashes. We show theoretically and then document empirically that many of GSY's (2019) stylized "bubble" facts are expected in a world without bubbles.

WORK IN PROGRESS

Heterogeneous Currency Preferences and Asset Prices

· This paper develops a heterogeneous agent model to understand the asset pricing impact of heterogeneous currency preferences among investors. Risk-averse investors dislike volatility in their portfolios so they prefer assets that have lower covariance with their respective currency returns. This hedging motive against currency risk generates a CAPM alpha. Since asset markets are populated by investors with different currency preferences, the CAPM alpha of an asset is determined as the asset return's covariance with weighted currency returns where the weights are investors' wealth. Global equities and government bonds are considered in the model. I construct long-short portfolios that are exposed to currency risk premium and find that they have significant positive average and risk-adjusted returns. I find this pattern for U.S. public equities and currencies.

TEACHING

Purdue University, Daniels School of Business

- Financial Management (Undergrad)   *Fall 2022, 2023*

FELLOWSHIPS AND AWARDS

NYU Stern Doctoral Fellowship	*2017 - 2022*
Kwanjeong Educational Foundation Scholarship	*2017*
Brown University Undergraduate Research and Teaching Awards	*2013*