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Education

- Ph.D., Economics, Cornell University, 2022 (expected)
- M.A., Economics, Cornell University, 2020
- Ph. D., Economics, Peking University, 2013
- B.S., Lanscaping and Architecture, Southwest Jiaotong University, 2007

Research Fields

Financial Economics, Information Economics, Fintech

Working Papers

1. Interest Rate Swaps: A Comparison of Compounded Daily versus Discrete Reference Rates, joint with Robert Jarrow, 2021. [\[SSRN\]](#)
2. A Model of Influencer Economy, joint with Lin William Cong, 2021. [\[SSRN\]](#)
3. Media Trading Groups and Short Selling Manipulation, joint with Robert Jarrow, 2021. [\[SSRN\]](#)
4. Government Guarantee, Information Acquisition and Credit Rating Informativeness: Theory and Evidence from China, joint with F. Hong, R. Luo and Y. Wang, 2020. [\[SSRN\]](#)

Publications

1. Index design—Hedging and Manipulation, joint with Robert Jarrow, 2022, accepted at **The Quarterly Journal of Finance**, [\[SSRN\]](#)
2. Concavity, Stochastic Utility, and Risk Aversion (with Robert Jarrow), **Finance & Stochastics**, 2021, 25, p. 311–330. [\[Paper\]](#), [\[SSRN\]](#)
3. Endogenous Liquidity Risk and Dealer Market Structure (with Robert Jarrow), **The Quarterly Review of Economics and Finance**, 2021, 81, p. 449-453. [\[Paper\]](#)
4. Random Authority (with Xi Weng), **International Economic Review**, 2017, 58(1), 211-35. [\[Paper\]](#)
5. Interest Conflicts, Reputation Effects and Stock Price Efficiency (in Chinese), 利益冲突、声誉激励与股价发现有效性, (with Jin Lin and Mingshan Zhou), **Journal of Management Science in China** 《管理科学学报》, 2015, 18 (12), p. 1-17. [\[Paper\]](#)
6. Partial Centralization in Three-division Organizations, joint with Xi Weng, **Nankai Business Review International** 《南开管理评论 (英文版) 》, 2014, 5(2), p.187-210, [\[Paper\]](#)

7. A Game Analysis on SME's Group Lending Reputation Model (in Chinese), 中小企业联保贷款的模式分析, with Shiqing Xie, **Economic Research Journal** 《经济研究》, 2011, 1, p. 97-111. [\[Paper\]](#)
8. An Economic Analysis of Trade Clearing in RMB between China and ASEAN (in Chinese), 中国和东盟人民币贸易结算的经济学分析, with Shaorong Li, **Economic Research Journal** 《经济研究》, 2010, 2, p. 18-31. [\[Paper\]](#)

Teaching Experience

2020 Fall	Teaching Assistant for Yongmiao Hong, Cornell University, Econometrics I (Ph.D. core)
2020 Spring	Teaching Assistant for Jennifer Wissink, Cornell University, Introductory Macroeconomics
2019 Fall	Grader for Kaushik Basu, Cornell University, Introduction to Game Theory and Strategic Thinking
2018, 2019	Teaching Assistant for Jennifer Wissink, Cornell University, Introductory Microeconomics
2013-2017	Instructor, Southwestern University of Finance and Economics, Corporate Finance (Undergraduate), Corporate Theory (Graduate), Information Economics (Graduate)

Research Experience and Other Employment

2020 - present	Research Assistant for Will Cong, Cornell University
2018 - 2019	Research Assistant for Robert Jarrow, Cornell University
2016 - 2017	PER Fellowship Visiting Scholar, Columbia University
2013 - 2017	Assistant Professor, Southwestern University of Economics and Finance

Honors, Scholarships, and Fellowships

2021	Sage Fellowship (Dissertation), Cornell University
2021	Field of Economics Excellence in Research Fellowship, Cornell University
2017	Sage Fellowship, Cornell University
2017	Innovation Prize for Young Scholars, China Information and Economics Society
2016	PER fellowship, Columbia University

Invited Presentations

2021	City University of Hong Kong, Zhongnan University of Economics and Law
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Professional Associations

American Economic Association, American Finance Association, Society for Financial Studies, European Finance Association

Skills

Programming \LaTeX , MATLAB, Mathematica, Stata

Languages Chinese (native), English (fluent)

References

Robert Jarrow (co-chair)
 Ronald & Lynch Professor of Investment
 Management
 Cornell University
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Will Cong (co-chair)
 Associate Professor of Finance
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Yongmiao Hong
 Distinguished Research Fellow
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Research Papers

[1]. “Media Trading Groups and Short Selling Manipulation” (Job Market Paper), 2021, [\[PDF\]](#).

This paper models how chatroom traders, forming a coalition via social media platforms, influence the stock price in the presence of large and strategic short sellers. The economic consequences of this dynamic game are studied in a micro-founded quasi-competitive equilibrium framework, which is new to the literature. Various equilibrium phenomena arise, including price bubbles, short squeezes, forced liquidations, and precautionary savings by the large trader. Media groups discipline the large trader’s incentive to short sell, but it can either increase or decrease market efficiency. Additionally, it uniformly improves social welfare under the belief-neutral welfare criterion.

[2]. “Interest Rate Swaps: A Comparison of Compounded Daily versus Discrete Reference Rates”, with Robert Jarrow, 2021, *R&R at Journal of Financial and Quantitative Analysis*, [\[PDF\]](#).

This paper studies the hedging effectiveness of interest rate swaps using different reference rates for eliminating interest rate risk from floating rate loans. Two different reference rates are studied. The first is a reference rate whose maturity, Δ , matches the payment interval of the floating rate loan. The second is a reference rate whose maturity is Δ/N . The prime examples are LIBOR and SOFR, respectively. We show that the Δ -based interest rate swap provides a good static hedge, but the Δ/N -based swap does not. Although dynamic hedging with the Δ -based interest rate swap is possible under some conditions, it both introduces model risk and increases transaction costs, making it a less practical alternative.

[3]. "A Model of Influencer Economy", with Lin William Cong, 2021. [PDF].

We provide the first model of an influencer economy in which brand owners and sellers depend on influencers to attract consumers while competing in both influencer and product markets. As technologies governing marketing outreach improve, the equilibrium features non-monotonicities in influencer market concentration, payoffs, and distributional inequality. Influencer heterogeneity and horizontal product differentiation are substitutes; small style differences complement vertical product differentiation while large differences substitute. Moreover, assortative matching between sellers and influencers occur under endogenous influence, with the maximum horizontal differentiation principle recovered in the limit of costless style selection. Meanwhile, the sellers' bargaining power counteracts the influencers' tendency to over-invest in influence power and they jointly determine the direction and magnitude of the sub-optimal acquisition. Finally, regulations for balanced seller-influencer matching can encourage seller competition under single dimensional seller-influencer heterogeneity. But uni-directional exclusivity contracts are welfare-improving for sufficiently differentiated products and uncongested influencers' markets.

[4]. "Index Design: Hedging and Manipulation", with Robert Jarrow, 2021, [PDF].

This paper studies optimal index design to both facilitate hedging and alleviate illegal manipulation in a competitive equilibrium paradigm, modified to deal with manipulation. Specifically, a large trader is trading both derivatives and stocks, and effectively hides her trades behind the competitive market clearing mechanism. Unlike the strategic game paradigm, a volume-weighted average pricing (VWAP) index both introduces basis risk and encourages manipulation because of the additional randomness in volume weight and the greater price impact enjoyed by the large trader. In contrast, an equal-weighted average pricing (EWAP) index both preserves market completeness and discourages manipulation.

[5]. "Government Guarantee, Information Acquisition and Credit Rating Informativeness: Theory and Evidence from China" with H. Fang, R. Luo and Y. Wang, 2020, [PDF].

We examine the influence of implicit government guarantees on the information content of credit ratings in China, guided by a theoretical credit rating game model in the presence of government guarantees. Using issuers' controlling shareholder identity as the defining metric of implicit government guarantees, we document a less sensitive relationship between credit ratings and primary market offer yields for SOE bonds (i.e., bonds issued by firms controlled by government or government related agencies) than that for non-SOE bonds. Moreover, ratings of non-SOE bonds have a stronger predictive power on both future downgrades and a market-based measure of issuer-expected default probability than those of SOE bonds. These findings are robust to considering the unobserved influence of the controlling shareholder identity on security pricing and bond default risk. Taken together, our empirical findings are consistent with the model's prediction that government guarantees can dampen the incentives for credit rating agencies to acquire costly information, thus lowering the equilibrium informativeness of ratings for SOE bonds.