

# John C. Chu

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## ACADEMIC EMPLOYMENT

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<b>Monash University, Department of Banking and Finance</b> <i>Associate Professor 2021-; Senior Lecturer (tenured)</i>	Victoria, Australia 2016-
<b>Chinese University of Hong Kong, Department of Finance</b> <i>Assistant Professor</i>	Hong Kong SAR, PRC 2009 to 2015

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## EDUCATION

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<b>Indiana University, Bloomington</b> <i>PhD in Finance</i>	Bloomington, Indiana, USA
<b>University of Oxford, Saïd Business School</b> <i>MBA</i>	Oxford, England, UK
<b>Huazhong University of Science and Technology</b> <i>Bachelor of Engineering</i>	Wuhan, Hubei, PRC

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## RESEARCH INTERESTS

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**Research interest in 2023:** Current portfolio is around the theme of *reserve*. Reserves are assessed by bank capital buffers, household financial decisions, and entrepreneurs' liquidity decisions in three working papers.

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## PUBLICATIONS

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4. **Mutual Fund Holdings of Credit Default Swaps: Liquidity, Yield, and Risk:** with Wei Jiang and Jitao Ou, April 2021, *The Journal of Finance*, 76(2), page 537-586. [SSRN link](#); [DOI link](#)
3. **Informed Trading by Adviser Banks? Evidence from Options Holdings:** with Michelle Lowry and Macro Rossi, February 2019, *The Review of Financial Studies*, 32(2), page 605-645. [SSRN link](#); [DOI link](#)
2. **The Financial Implications of Supply Chain Changes:** with Joel Houston and Chen Lin, September 2016, *Management Science*, 62(9), pp. 2520-2542. [SSRN link](#); [DOI link](#)
1. **Where Have All the IPOs Gone?:** with Xiaohui Gao and Jay Ritter, December 2013, *The Journal of Financial and Quantitative Analysis*, 48(6), pp. 1663-1692 [SSRN link](#); [DOI link](#)

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## WORKING PAPERS AND WORK-IN-PROGRESS

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- **Bank Asset problem and Cross Borrower Spillovers:** with Jitao Ou, June 2023.
  - We identify a bank asset problem where solutions to address fire-sale discounts conflict with solutions to address panic of bank runs. Bank asset problems could compromise financial stability. Bank asset problems caused by household defaults could spill over to corporate borrowers. The redraft is upgraded from a 2018 AFA paper.
- **Reserve, Risk-Tolerance, and Fund Flows:** with Woon Sau Leung, June 2023.
  - We establish the role of cash reserves on household investment decisions. Higher reserves allow households to tolerate lower returns without withdrawing their fund engagements. Our model can explain why more fund inflows to mutual funds with higher returns and volatility.
- **Balance of Rights of Liquidity Demand and Supply:** with Zhanbing Xiao, June 2023.
  - We add the rights of external liquidity providers to the theory of external liquidity demand and supply by Holmström and Tirole (1998) and balance the obligations and rights of entrepreneurs and liquidity providers. Our empirical evidence supports the model conjectures.
- **On the Choices of Lifestyle and Growth:** work-in-progress, April 2023
  - I model household choices between upgrading lifestyle and growing wealth. Self-disciplined, regular, self-indulgent households have heterogeneous exchange factors in switching from luxury lifestyle upgrades to wealth growth. My model has three empirical implications.
- **Repo Runs, Collateral, and Counterparty Institutions:** 2016
- **The Source of Superior Information: Advisors' Holdings of Call Options on Targets:** 2016 [SSRN link](#)
- **Can the Performance of Structural Corporate Bond Models Be Improved?:** 2008 [SSRN link](#)

## RESEARCH GRANTS AND AWARDS

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- **2020 Dean's Commendation for Excellence in Research**, Monash Business School, Monash University
- 2020 Research Grant, Banking and Finance, Monash University, A\$10,000
- 2019 Research Grant, Banking and Finance, Monash University, A\$6,000.
- New Academic Staff Support Grant, 2017, Faculty of Business and Economics, Monash University, A\$5,000
- **Best Paper in Financial Institutions**, 2016 Midwest Finance Association
- **Best paper in CFA Institute Research Award**, 2015 Australasian Finance & Banking Conference
- Direct Research Grant, 2014/15, CUHK, HK\$50,000
- Direct Research Grant, 2013/14, CUHK, HK\$50,000
- **Winner of William F. Sharpe Award**, 2013, Journal of Financial and Quantitative Analysis
- **The Research Grants Council of Hong Kong**, Early Career Scheme, 2012/13, Ref. No. CUHK490712, HK\$612,000
- The Lee Hysan Foundation Research Grant and Endowment Fund Research Grant, United College, CUHK, 2011/12, HK\$15,000;
- REGA Financial Research Fellowship, 2011, HK\$50,000
- The Lee Hysan Foundation Research Grant and Endowment Fund Research Grant, United College, CUHK, 2010/11, HK\$25,200
- **The Research Grants Council of Hong Kong**, Ref. No. CUHK459710, 2010/11, HK\$323,380
- Direct Grant, the Business Administration Faculty, CUHK, 2009, HK\$37,900

## PRESENTATION AND DISCUSSION

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\* presented by co-authors.

- **2022**: AFBC conference
- **2021**: AFBC conference (×2 papers); Melbourne Asset Pricing Meeting (discussant).
- **2020**: FIRN virtual seminar; AFBC conference (presenter, discussant, and sessions chair).
- **2019**: Australia National University; FMA European Conference, Glasgow, Scotland; Mutual funds, Hedge Funds and factor Investing Conference, Lancaster, UK; 2<sup>nd</sup> Annual USYD Financing and Banking Research Group Workshop.
- **2018**: American Finance Association annual meeting (AFA) Philadelphia, PA; University of Florida; Georgia Tech; The Department of Economics and The Department of Banking and Finance, Monash University; Fixed Income and Financial Institutions Conference, University of South Carolina, Columbia, SC; ANU-FIRN banking and Financial Stability Conference; FMA annual conference, San Diego, CA (presenter and discussant); 31<sup>st</sup> AFBC; INFINITI Asia-Pacific conference.
- **2017**: UNSW; University of Sydney; University of Melbourne; ANU-FIRN Banking and Financial Stability Meeting, Canberra; CICF (discussant), Hangzhou, PRC; Monash Macro/Finance Conference.
- **2016**: \*Drexel University; FIRN Conference, Barossa Valley, Australia; FMA, Las Vegas, Nevada, USA (presenter, discussant and discussant on Doctoral Student Consortium); \*AIM Investment Conference, University of Texas Austin; CICF, Xiamen, China; Western Finance Association annual meeting (WFA, paper accepted ×2, presenter ×1), Park City, Utah; Midwest Financial Association (presenter ×2; discussant ×2), Atlanta, Georgia; Melbourne Business School, the Financial Institutions, Regulation and Corporate Governance (FIRCG) Conference, Australia
- **2015**: \*Drexel University; \*Texas A&M University; Annual Conference on the Regulation of Financial Markets by Robert H. Smith School of Business and SEC., SEC Headquarters, Washington DC; The Financial Intermediation Research Society (FIRS), Reykjavik, Iceland; FMA Asian (presenter and discussant), Seoul, Korea; CICF (presenter and discussant), Shenzhen, China; \*Oregon Summer Finance Conference, Eugene, OR; FMA annual meeting (×3 presenter), Orlando, FL; Australasian Finance & Banking Conference, Sydney (AFBC), Australia; \*MSUFCU, Michigan State University

- **2014:** CKGSB; Singapore Management University; Nanyang Business School; \*Carnegie Mellon University; Moody's/SAIF Credit Research Conference, Shanghai, PRC; NUS-RMI Annual Risk Management Conference, Singapore; FERM, Singapore
- **2012:** Hanqing Advanced Institute of Economics and Finance, Renmin University; CICF, Chongqing, PRC
- **2011:** China International Conference in Finance (CICF, discussant), Wuhan, PRC
- **2010:** Risk Management Conference (presenter and discussant), National University of Singapore; International Symposium on Financial Engineering and Risk Management, National Taiwan University; Financial Stability: Towards a Macroprudential Approach, BIS and HKIMR (discussant).
- **2008:** The Chinese University of Hong Kong; State University of New York; University of Concordia; Financial Management Association (FMA) conference, Dallas, Texas (presenter, discussant); Southern Finance Association (SFA) conference, Key West, Florida (presenter, discussant).

#### MEDIA COVERAGE

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- **Gross Doesn't Let SEC Guidelines Stand in Way of Big Bond Bets**, *Bloomberg*, November 20, 2015
- **A muffled big bang**, *The Economist*, March 31, 2012
- **A time for risk-taking**, *The Washington Post*, March 15, 2012
- **IPO Boom May Not Come Back: Study**, *CNBC*, October 20, 2011

#### ACADEMIC SERVICE

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- **Ad hoc journal referee service:**
  - *Journal of Banking and Finance*, *Journal of Financial and Quantitative Analysis*.
- **Research student supervision:**
  - George Baihan Wang, primary supervisor, Ph.D., since 2022, Monash University
  - Xiangpei Zhang, committee, Ph.D., since 2020, Monash University
  - Xiangpei Zhang, first supervisor, Honours 2019, Monash University
  - Blake Lorient, Ph.D., committee, 2017-2020, Monash University
  - Zhanbing Xiao, MPhil 2016 (CUHK), Current: PhD UBC Sauder School of Business
  - Xu, Shujing, external committee, Ph.D. 2013, Hong Kong University
- **Monash University:**
  - Deputy Director of Research, 2019-2021
  - AFA/FMA Recruiting Committee, Since 2017
- **Chinese University of Hong Kong:**
  - Member of Faculty Board of Business Administration (CUHK), September 2013 to August 2015
  - AFA/FMA Recruiting Committee, 2009-2015
  - Research committee, 2009-2015

#### AFFILIATIONS

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American Economic Association, American Finance Association, European Finance Association, Financial Management Association International, Western Finance Association

## TEACHING

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- **Monash University:**

- BFC3341, Debt market and Fixed Income Analysis, with added prerequisites on Financial Derivatives.
- BFC2341, Debt market and Fixed Income Analysis
- BFF5280, Institutional Asset and Liability Management (Master)
- BFF5925, Financial Management Theory (Master)
- BEX6011, Empirical Asset Pricing (PhD)

- **Chinese University of Hong Kong:**

- FIN4120, Fixed Income Securities Analysis
- FIN6252, Empirical Methods in Finance

- **Indiana University, Bloomington:**

- F421, Derivative Securities and Corporate Risk Management
- F335, Security Trading and Market Making

## INDUSTRY EXPERIENCE

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**ABN AMRO Asset Management (London)**  
*Consultant*

London, UK, 2002

**State Administration of Foreign Exchange**  
*Senior Staff, Strategic Research Division*

Beijing, PRC, 1995-2001

**China Securities Co., Ltd.**  
*Equity analyst*

Beijing, PRC, 1994-1995

**China Power Trust Investment Co., Ltd.**  
*Equity analyst*

Beijing, PRC, 1993-1994

**China Mechanical and Electrical Equipment Co.**  
*Human resources*

Beijing, PRC, 1990-1993

## HOBBIES

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Classical music genres of the concerto, opera, symphony, and suite; Gardening