

## Jiatao Liu

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Research Interests	<b>Primary:</b> Asset Pricing (Theory and Empirical), Behavioral Finance <b>Secondary:</b> Information Economics, Market Microstructure, Textual Analysis	
Education	<b>Bayes Business School, London, UK</b> <b>City, University of London</b> Ph.D. Candidate in Finance Advisor: Professor Ian Marsh	<b>2016-2021</b>
	<b>HEC Paris, France</b> Visiting Scholar Advisor: Professor Thierry Foucault	<b>Jan.-Apr. 2020</b>
	<b>Center for Monetary and Financial Studies (CEMFI), Madrid, Spain</b> Summer School for Econometrics and Machine Learning	<b>Aug.-Sep. 2017</b>
	<b>Carey Business School, Baltimore MD, USA</b> <b>The Johns Hopkins University</b> M.Sc. Finance GPA:3.97/4.0 <i>Graduated First in Program</i>	<b>2014-2015</b>
	<b>Fisher College of Business, Columbus OH, USA</b> <b>The Ohio State University</b> B.S. Business Administration, Major in Finance GPA: 3.76/4.0 <i>magna cum laude</i>	<b>2011-2013</b>
Job Market Paper	<b>Biased News and Irrational Investors: Evidence from Biased Beliefs about Uncertainty and Information Acquisition</b>  <b>Abstract:</b> Investors who use biased information from news media subsequently tend to make irrational decisions about acquiring firm-specific information compared to rational expectations. This model of information acquisition yields testable predictions that are verified by using a novel dataset of news stories. First, when sentiment in news articles, as a proxy for biased public information, is more optimistic, investors tend to acquire less earnings-relevant information before the earnings announcement and vice versa. Second, the return predictability from firm-specific news sentiment confirms that it contributes to variations in asset information risk due, in a biased belief equilibrium, to the proportion of informed investors deviating from rational expectations. Overall, these findings suggest that biased public information inherent in news sentiment serves to irrationalize investors' acquisition of firm-specific information through a biased perception of uncertainties in the risky asset payoff.	

Working  
Papers

**Mood Swings and Insufficient Information Acquisition: A Study on Cross-Section of Stock Returns**

*with Ian Marsh*

**Abstract:** This paper studies mood, measured by Twitter messages, which causes investors' insufficient acquisition of information about assets and the implications of asset pricing. Using a Twitter-based mood measure, we find that mood swings are negatively predictive of investors' acquisition of earnings-related information when seeking to learn about companies' performance. Therefore, we argue that this bias effect contributes to the explanation of classical (unconditional) pricing models' failures. Conducting tests on cross-sectional stock returns, we show that stocks that are more sensitive to mood earn a higher expected excess return than less mood-sensitive stocks. Our results are consistent with the theoretical prediction that investors mistakenly use mood as information rather than learning enough fundamental information about assets, thereby inducing mispricing in asset valuation.

**Factor Structure in Cryptocurrency Return and Volatility**

*with Ian Marsh, Paolo Mazza and Mikael Petitjean*

**Abstract:** We use high-frequency tick data to study stylized facts on the return and volatility dynamics of the nine most liquid cryptocurrencies. Factor structures exist in both returns and volatility, but the explanatory power from the common factor is much stronger for volatility. The factor structures do not relate strongly to fundamental economic factors, and Bitcoin – which we propose is a “crypto market factor” – has only weak explanatory power. We date the bubble in Bitcoin pricing allowing us to split the sample into pre-bubble, bubble and post-bubble periods. The importance of these different periods is clear, revealing shifting relationships between the nine cryptocurrencies and Bitcoin. Model-free realized cryptocurrency betas with Bitcoin increase during the bubble period and the explained fraction of cryptocurrency variance remains at an elevated level after the bubble burst.

Work-in-  
Progress

**The Impact of Public Mood on the Cross-Section of Stock Returns: International Evidence**

*with Ian Marsh*

**Jump Beta Risk Premium: Idiosyncratic vs. Systematic Information from News Media**

**Is Cyber Risk Priced in Cross-Section of Equity Returns**

*with Ian Marsh*

**The Power of Investors' Data Mining Search for Pricing Predictors: A Mutual Fund Study**

Honors and  
Awards

**Cass Business School Ph.D. Scholarship, London, UK**

**2016-2021**

**Introductory Certificate in Teaching in Higher Education  
City, University of London, London, UK**

**2019**

**The Edward J. Stegman CPA Memorial Award for Excellence in the Study  
of Master Science of Finance, JHU 2015, Baltimore MD, USA**

**2016**

**Fisher College of Business Merit Scholarship, Columbus OH, USA**

**2011-2013**

**National Society of Collegiate Scholar, Columbus OH, USA**

**2011**

Other  
Research

**10 Lessons for China 10 Years after the Subprime Financial Crisis**

*with Alessandro Rebucci; Econbrowser, 2017*

Teaching Experience	<p><b>Cass Business School, City, University of London</b> <span style="float: right;"><b>2017-2020</b></span>  <i>Teaching Assistant, Quantitative Methods for Finance-(Masters)</i>  <i>Teaching Assistant, Statistics in Finance-(Masters)</i>  <i>Teaching Assistant, Quantitative Methods for Finance-(Undergraduate)</i></p> <p><b>Fisher College of Business, Ohio State University</b> <span style="float: right;"><b>2013</b></span>  <i>Teaching Assistant, Introductory Corporate Finance-(Undergraduate)</i></p>				
Presentations & Conferences (*Coauthors)	<p><b>2022:</b> AEA (January, Poster Session)</p> <p><b>2021:</b> The 60<sup>th</sup> Southwestern Finance Association • The 57<sup>th</sup> Eastern Finance Association • China International Risk Forum • FMA (October, Invited)</p> <p><b>2020:</b> Cass Business School-Ph.D. Research Day (London, UK)</p> <p><b>2019:</b> The 32<sup>nd</sup> Australasian Finance &amp; Banking Conference (Sydney, Australia) • INFINITI Conference on International Finance (Glasgow, UK) • 3<sup>rd</sup> Edinburgh-SUFE Shanghai Fintech Conference (Shanghai, China) • 6<sup>th</sup> Young Finance Scholars Conference (Brighton, UK) • Behavioral Finance &amp; Economics Annual Meeting (NYC, U.S.) • Cass Business School-Ph.D. Research Day (London, UK) • *ESSEC WORKSHOP on Nonstandard Investment Choice (Paris, France)</p> <p><b>2018:</b> Cass Business School-Ph.D. Research Day (London, UK) • Market Microstructure Summer School (Stockholm, Sweden)</p>				
Professional Activities	<p><b>Discussions:</b> The 32<sup>nd</sup> Australasian Finance &amp; Banking Conference, INFINITI Conference on International Finance, 3<sup>rd</sup> Edinburgh-SUFE Shanghai Fintech Conference, Behavioral Finance &amp; Economics Annual Meeting, FMA European Conference</p> <p><b>Session Chair:</b> 2<sup>nd</sup> European Capital Markets Workshop, INFINITI Conference, 32<sup>nd</sup> Australasian Finance and Banking Conference, The 57<sup>th</sup> Eastern Finance Association, CIRF 2021</p>				
Work Experience	<p><b>Morgan Stanley, NYC, USA</b> <span style="float: right;"><b>2015-2016</b></span>  Financial Analyst</p> <p><b>Bank of China-Global Headquarters, Beijing, China</b> <span style="float: right;"><b>2013</b></span>  Financial Analyst (Intern)</p>				
Personal Information	<p><b>Languages:</b> Mandarin Chinese (Native); English (Fluent)</p> <p><b>Skills:</b> Python, C++, MATLAB, SAS, Stata</p> <p><b>Interests:</b> Classical Chinese Martial Arts (Gold Medalist in Hong Kong's 4<sup>th</sup> Intl. Kung Fu Competitions), Boxing (Professional), Cooking</p>				
References	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Ian Marsh  Professor of Finance  Bayes Business School  +44 (0)20 7040 5121  <a href="mailto:i.marsh@city.ac.uk">i.marsh@city.ac.uk</a></p> </td> <td style="width: 50%; vertical-align: top;"> <p>Giovanni Cespa  Professor of Finance  Bayes Business School  +44 (0)20 7040 8704  <a href="mailto:Giovanni.Cespa.1@city.ac.uk">Giovanni.Cespa.1@city.ac.uk</a></p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>Thierry Foucault  Professor of Finance  HEC Paris  +33 (0)13 9679 569  <a href="mailto:foucault@hec.fr">foucault@hec.fr</a></p> </td> <td></td> </tr> </table>	<p>Ian Marsh  Professor of Finance  Bayes Business School  +44 (0)20 7040 5121  <a href="mailto:i.marsh@city.ac.uk">i.marsh@city.ac.uk</a></p>	<p>Giovanni Cespa  Professor of Finance  Bayes Business School  +44 (0)20 7040 8704  <a href="mailto:Giovanni.Cespa.1@city.ac.uk">Giovanni.Cespa.1@city.ac.uk</a></p>	<p>Thierry Foucault  Professor of Finance  HEC Paris  +33 (0)13 9679 569  <a href="mailto:foucault@hec.fr">foucault@hec.fr</a></p>	
<p>Ian Marsh  Professor of Finance  Bayes Business School  +44 (0)20 7040 5121  <a href="mailto:i.marsh@city.ac.uk">i.marsh@city.ac.uk</a></p>	<p>Giovanni Cespa  Professor of Finance  Bayes Business School  +44 (0)20 7040 8704  <a href="mailto:Giovanni.Cespa.1@city.ac.uk">Giovanni.Cespa.1@city.ac.uk</a></p>				
<p>Thierry Foucault  Professor of Finance  HEC Paris  +33 (0)13 9679 569  <a href="mailto:foucault@hec.fr">foucault@hec.fr</a></p>					