Yifeng Guo

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Placement Director

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Education

Columbia Business School, New York, USA — Sep.2015 - Jun.2020 (Expected)

PhD Candidate in Finance

Toulouse School of Economics, Toulouse, France — Sep.2013 - Jun.2015

Master in Economic Theory and Econometrics

Fudan University, Shanghai, China — Sep.2009 - Jun.2013

B.A. in Economics

References

Laura Veldkamp (Chair)
Cooperman Professor of Finance and Economics
Columbia Business School
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Harrison Hong
John R. Eckel Jr. Professor of Financial Economics
Department of Economics, Columbia University
hh2679@columbia.edu

Olivier Darmouni
Assistant Professor of Finance and Economics
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Research Interests

Information in Financial Markets, Corporate Finance, Private Markets

Research

Job Market Paper

Should Information be Sold Separately? Evidence From MiFID II, with Lira Mota,

Revise and Resubmit, Journal of Financial Economics

Presentations: EFA 2019, SFS Cavalcade Asia-Pacific 2019 (scheduled), NYU Stern PhD Workshop 2019

Information production is key to the efficiency of financial markets. Does selling information separately improve its production? We investigate this question in the context of sell-side research and employ a recent regulation (MiFID II, the Market in Financial Instrument Directive II) in Europe that unbundles research from transactions. We show that unbundling causes fewer research analysts to cover a firm. This decrease does not come from small- or mid-cap firms but is concentrated in large firms. Contrary to conventional wisdom, the reduction in the coverage quantity is accompanied by an increase in the coverage quality. Further analyses suggest that the enhancement of analyst competition could drive the results: inaccurate analysts drop out (extensive margin) and analysts who stay produce better-quality research (intensive margin). Our findings suggest that selling information separately improves information quality at the cost of reducing information quantity.

Working Papers

Going Public or Staying Private: the Cost of Mandated Transparency, with Joshua Mitts, *under review*

Presentations: Columbia Financial Economics Colloquium 2018, Columbia Business School PhD Workshop 2018

Public markets are transparent institutions, where disclosure is mandatory and order flow observable. We show that transparency can lead to insufficient information acquisition and inefficient investment. Our model links a firm's preference for public markets to the quality of disclosure metrics. When short-term signals diverge from the long-run value of a project, entrepreneurs prefer opaque private markets where investors can bargain over the costs of acquiring information. Imperfect communication is a mechanism by which mandatory disclosure may destroy value, leading firms to remain private.

Active and Passive Funds: A Welfare Analysis, with Milo Bianchi and Sophie Moinas

We analyze theoretically the impact of passive investing on market efficiency and investors' welfare. We consider a two-period complete-market pure-exchange economy. In the first period, investors choose whether to pay the cost to acquire information on the state of the world and whether to adopt an active or passive strategy. Passive investors incur a lower trading cost and can freely rebalance the proportion of wealth invested in risky assets, but not the weights of each asset within the risky portfolio. In the second period, investors rebalance their portfolio upon the realization of idiosyncratic liquidity shocks. In our model, passive investors do not acquire information, but they can fully hedge against the price impact of asymmetric information. We first analyze how the costs of being active (the cost of information acquisition and the cost of freely rebalancing the weights of each asset) affect the proportion of investors adopting various trading strategies and how the proportion of various investors in turn affects the price informativeness and the endogenous hedging costs. We then analyze the potential externalities of each investment strategy on investors' welfare and highlight whether the market equilibrium induces the optimal level of information acquisition and active investment.

Other Experiences

Research Assistant for Prof. Marina Halac, Columbia Business School Jun.2016 - Jul.2016

Teaching Assistant: Advanced Corporate Finance (MBA), Managerial Economics (EMBA), Corporate Finance Theory (PhD), Financial Intermediation (PhD), Information Choice in Financial Markets (PhD)

Quantitative Researcher, AQR Capital Management Jun.2019 - Aug.2019

Quantitative Researcher, Alpinvest Partners, the Carlyle Group May.2018 - Jul.2018

MSFE Program Admission Committee Member, Columbia Business School (2017, 2018, 2019)

Honors & Awards

Chazen Research Grant (school-level highly competitive research grant) Sep.2019

Deming Doctoral Fellowship Aug.2019

Columbia University PhD Fellowship Sep.2015 - Jun.2020

France Excellence Fellowship Sep.2013 - Jun.2015

Distinguished Undergraduate Student of Fudan University Jun.2013

Skills

Computer Skills: Python, R, Mathmatica, LaTeX

Languages: Chinese (Native), English (Fluent)