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Education

Hong Kong University of Science and Technology

Ph.D., Economics, 2023 (expected).

M.Sc, Economics, 2017.

Wuhan University

M.Sc, Electrical Engineering 2014.

B.A., Electrical Engineering 2012.

Research Interests

Macro-finance, Empirical and Theoretical Asset Pricing, Financial Economics

Publications

1. **Leasing as a Mitigation of Financial Accelerator Effects**, with Kai Li, 2021
 - **Accepted at *Review of Finance***
 - **Presented at** AFA Poster Session 2022, Econometric Society Asia Meeting 2022.

Working Papers

1. **The Undrawn Credit Line Premium**, Job Market Paper, 2022
 - **Abstract:** This paper studies the cross-sectional relationship between corporate undrawn credit line holdings and expected returns. I document that firms with more undrawn credit lines earn 3.88 – 5.74% higher returns than firms with less undrawn credit lines. To rationalize this finding, I incorporate the major features of credit line contracts into the investment-based asset pricing framework to illustrate a novel risk-based mechanism: firms with larger idiosyncratic liquidity needs endogenously hold more undrawn credit lines to preserve flexible and cheap liquidity. However, due to credit line revocations that strongly correlate with aggregate economic conditions, they become more exposed to aggregate shocks, yielding the positive undrawn credit line premium.
 - **Presented at** AFA Poster 2023 (Scheduled), PHBS Brown Bag (Scheduled), HKUST Econ Brown Bag, HKUST Macro Workshop, Peking University HSBC Business School (PHBS) Macro-finance Reading Group.

2. **The Technical Default Spread**, with Emilio Bisetti and Kai Li, 2021

- **R&R at *Review of Financial Studies***

- **Abstract:** We build a dynamic general equilibrium model in which endogenous loan covenants allocate investment control rights between borrowers and lenders, and study its implications for investment, risk-taking, and asset prices in the cross-section. When borrowers enter technical default by breaching a covenant, control rights switch from borrowers to lenders. Lenders optimally choose low-risk projects, thus mitigating borrowers' risk-shifting incentives and reducing the firm's cost of equity. A calibrated version of our model allows us to match the technical default spread that we find in the data: firms that are closer to technical default earn on average 4% *lower* future returns than firms that are further away from their technical default thresholds. We argue theoretically and show empirically that the technical default spread arises from different economic forces than the distress anomaly.

- **Presented at** AFA Poster 2021, MFA 2021, North American Summer Meeting of the Econometric Society 2021, 2021 Royal Econometric Society Annual Meeting, The 5th PKU-NUS Annual International Conference 2021, 7th International Young Finance Scholars' Conference 2021, NFA 2020, HKUST Brown Bag*.

(*presented by co-author)

Work in Progress

1. Bubbly Premium, with Pengfei Wang
2. Cash Holding as a Stabilizer of Business Cycle Fluctuations

Conference Presentations

2022: AFA PhD student poster, Econometric Society Asia Meeting

2021: AFA PhD student poster, MFA, 5th NUS-PKU Conference, North American Summer Meeting of Econometric Society, The Royal Economic Society Annual Conference, 7th International Young Finance Scholars' Conference

2020: NFA

Teaching Experience

Hong Kong University of Science and Technology

Teaching Assistant, Applied Econometrics, Prof. Songnian Chen, Fall 2019, 2020, 2021

Teaching Assistant, Econometrics, Prof. Songnian Chen, Spring 2019, 2020, 2021, 2022

Teaching Assistant, Advanced International Trade, Prof. Edwin Lai, Spring 2018

Teaching Assistant, Managerial Microeconomics, Prof. Yuk-fai Fong, Fall 2017

Work Experience

China Electric Power Research Institute

Assistant Electrical Engineer, 2014-2016

Awards and Fellowships

AFA Student Travel Grant, 2023

HKUST Redbird Scholarship, 2021-2022

HKUST Dean's PhD Fellowship, 2021-2022

HKUST Postgraduate Studentship, 2017-2022

HKUST MSc (Econ) Student Merit Scholarship, 2017

Excellent Graduate of Wuhan University, 2012

Languages and Skills

Language: Mandarin (native), English (Fluent)

Skills: STATA, SAS, MATLAB, FORTRAN, \LaTeX

Reference

Associate Prof. Kai Li (Supervisor)

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Prof. Pengfei Wang (Co-supervisor)

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