

LINGYAN YANG

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EDUCATION

Arizona State University, U.S. Ph.D. in Finance	<i>Expected May 2022</i>
Tsinghua University, China M.A. in Finance	<i>July 2016</i>
Wuhan University of Technology, China B.A. in Financial Management	<i>July 2013</i>

RESEARCH INTEREST

Macro Finance, Market Microstructure, Behavioral Finance

WORKING PAPERS

Is Capital Reallocation Really Procyclical?

Job Market Paper

Abstract: Aggregate reallocation is procyclical. This empirical observation is puzzling given the documented fact that the benefits to reallocation are countercyclical. I show that this procyclicality is entirely driven by reallocation of bundled capital, which is highly correlated with market valuation and bears no consistent relation to measures of productivity dispersion. Reallocation of unbundled capital, on the contrary, is countercyclical and highly correlated with dispersion in productivity growth, both within industry and across industries. To rationalize these facts, I propose a heterogeneous agent model of investment featuring two distinct used-capital markets and a sentiment component. In equilibrium, unbundled capital is reallocated for productivity gains only, whereas bundled capital is also reallocated for real, or perceived synergies in the equity market. While equity overvaluation negatively affect total factor productivity (TFP) by encouraging excessive trading of capital, such an adverse impact is largely offset by eased frictions to reallocation in the unbundled capital market.

The Profitability of Liquidity Provision *with Ariel Lohr*

Abstract: By tracking the cumulative inventory position of all passive liquidity providers in the US equity market and matching each position with its offsetting trade, we construct a measure of profits to liquidity provision (realized profitability) at varying market making horizons. Using a sample of all common stocks from 2017 to 2020, we show that there is enormous variation in the horizon at which trades are turned around within the same stock. By imposing a fixed horizon on all trades, the conventional realized spread measure can deviate significantly from the realized profits to liquidity provision both in the cross-section and in the time-series. We further show that, consistent with the risk-return trade off faced by liquidity providers as a whole, realized profitability is low for trades that are quickly turned around and high for trades that take longer to reverse.

WORK IN PROGRESS

Source of Gain from Vertical Integration *with Ariel Lohr*

Market Making Horizon and Financial Market Stability *with Ariel Lohr*

What Are We Underreacting to? Characteristics Benchmarks and Momentum Profits
with Oliver Boguth

TEACHING EXPERIENCE

Instructor, FIN 361 Advanced Managerial Finance, ASU *Summer 2019*
Teaching Assistant, FIN 361 Advanced Managerial Finance, ASU *Spring 2020*
Teaching Assistant, FIN 421 Security Analysis Portfolio Management, ASU *Spring 2020*

AWARDS, GRANTS AND FELLOWSHIPS

Graduate Associate Fellowship, ASU *2016-2020*
National Scholarship, Tsinghua *2015-2016*
Distinguished Master's Thesis Award, Tsinghua *2016*

CONFERENCE PARTICIPATION AND OTHER ACTIVITIES

AFA Ph.D. Student Poster Session 2022 (presenter, scheduled), North East Universities Development Consortium 2021 conference (presenter, scheduled), AFA Annual Meeting 2020, WFA Annual Meeting 2019, ASU Sonoran Winter Finance Conference 2017-2019;
Mitsui Summer School on Structural Estimation in Corporate Finance 2021 (University of Michigan)

INDUSTRY EXPERIENCE

CSC Financial Co., Ltd., China *2015*
Investment Bank Division, Intern

PROGRAMMING SKILLS

SAS (advanced), Matlab (advanced), Python (advanced), Stata (basic), VBA (basic), Gauss (basic)

PERSONAL INFORMATION

Gender: Female
Citizenship: China
Languages: Mandarin (Native), English (Fluent), Spanish (Basic)

REFERENCES

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