

Progress Report

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April 2023

My coauthors (Oğuzhan Karakaş and Scott Hirst) and I are working on updating the dataset for our proxy contest and voting premium project. The paper investigates how share price behaves around proxy contests for target firms and to which extent shareholder voting premium can explain the share price performance. We also test whether we could predict the outcome of a proxy contest and how successful the dissidents would win based on the behavior of the voting premium at the early stage of the proxy contest. Currently, we have found interesting results based on proxy contest and voting premium data and prepared a draft for this project. The data updating process is longer than we expected, and we will write progressively into a working paper once the data is ready.

In April 2022, I was working on another project with my supervisor Oğuzhan Karakaş and an MPhil student Kun Qian. We aim to examine whether the value of shareholder voting rights (voting premium) can partly solve the idiosyncratic volatility puzzle. In this study, we examine two research questions. First, what is the relationship between idiosyncratic volatility and the voting premium of individual stocks? Second, whether and to which extent voting premium can account for the idiosyncratic volatility puzzle. However, the empirical results turned out to be statistically insignificant although the sign is correct.

I started working on an ESG survey paper with Professor Raghu Rau since June 2022, and the paper has been accepted by China Finance Review International in 2023. This survey offers an overview of the academic literature on ESG/CSR through the lens of investors, institutions, and firms. We first discuss the definitions of ESG and CSR and their relationship to each other. We next describe how ESG is measured and note problems with the measurement of and quality of ESG data and discrepancies between different measures of ESG. We then turn our attention to investors, examining what types of investors invest in ESG and the role of institutional investors in ESG. From the firm's perspective, we discuss why firms themselves conduct ESG. We also summarize the literature on the impact of ESG on firms: how ESG affects firms' financing, disclosure and reporting activities, and firm performance. Finally, we describe other consequences of the focus of ESG and CSR on firms and investors.

Since August 2022, I have been working on a project regarding firm pollution with my supervisor Oğuzhan Karakaş and Lakshmi Naaraayanan (LBS). The paper studies the implications of the industrial pollution on corporate value. We introduce a novel firm-level index of pollution that combines the scale of pollutive activities with hazards and risks emanating from these activities. We examine whether financial markets price damages to human health and environment. The investigation is ongoing.

Apart from research work, I engaged in TA work in Michaelmas Term. I was the TA of MFin course Economic Foundations of Finance and delivered 8 workshops. I received PhD Exceptional Teaching Assistant Award based on my TA work during my second year.