

# YUE YUAN

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## EDUCATION

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### London School of Economics, UK

PhD in Finance (Expected)	2017-21
MRes in Finance (Distinction)	2015-17
MSc in Finance and Economics (Distinction)	2014-15

### Tianjin University, China

BS in Finance (GPA 3.8)	2010-14
BA in English	2011-14

## RESEARCH INTERESTS

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Corporate Finance and Banking

## WORKING PAPERS

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### Informal Security Auction in Entrepreneurial Financing

*Presented: LSE PhD Seminar*

**Abstract:** I consider an informal auction in which investors compete for the opportunity to finance a project by each proposing a security based on the project to offer to the entrepreneur. The project value is common to all investors and each investor sees a private signal about the common value. I find that if investors can choose from a broad set of securities, there is an equilibrium in which investors offer call options to the entrepreneur. There is no symmetric increasing equilibrium in which all investors offer securities in an ordered set flatter than call options, for example, debt or equity. The equilibrium security design is opposite to that in the private value setting of DeMarzo, Kremer and Skrzypacz (2005), in which all investors offer debts. The result implies that asymmetric information about common value and private value lead to contrasting security design.

### Buying Slow and Selling Fast: Speed Asymmetry in Share Issuances and Repurchases,

with Philip Bond and Hongda Zhong

*Presented: LSE PhD Seminar*

**Abstract:** Almost all firms repurchase shares gradually through open market repurchase (OMR) programs as opposed to using the quicker alternative of tender offers. In contrast, issue methods are both more diverse, and often quicker: while a significant minority of firms issue shares using at-the-market offerings, analogous to OMR programs, a majority of firms issue shares swiftly via SEOs, analogous to the rarely-used tender offer repurchases. We show that this asymmetry in the diversity of methods, and in transaction speeds, is a natural consequence of the single informational friction of a firm having superior information to investors.

## WORKING PROJECTS

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### Imperfect Competition of Equity Issuers

*Presented: LSE PhD Seminar*

**Abstract:** I explore the possibility that the competition structure of the equity market affects stock issue decisions and stock prices. I model an economy in which there are a finite number of firms with each type of risk, and risk-averse investors have downward sloping demand curves for stocks. Recognizing their pricing power over their own shares, the firms act as oligopolists on the stock market: they

refrain from issuing public shares and keep their share prices at a level higher than competitive prices. The presence of another financial asset and its competitive issuers may not eliminate the firms' pricing power. I propose testable implications of the model based on comparing the financial decisions and stock performances of stock issuers whose risks are unique with those who face more competition from other stock issuers with similar risks.

**Network Effect on Loan Repayment**, with [Christian Julliard](#) and [Kathy Yuan](#)

**Abstract:** In the repayment records provided by a Chinese person-to-person loan platform, we use information of “contact person” to identify social networks. Using a Spatial Autoregressive Probit Model, we find that borrowers with more degrees of connections in the network are less likely to be overdue, and connected borrowers tend to be overdue together. We interpret the result as evidence for common non-pecuniary, e.g. merit or reputation, costs of having overdue loans, among borrowers who are connected in the social network. We exclude the alternative explanation that the results are driven by common economic shocks to connected borrowers in a social network, by showing that controlling for common home or work addresses does not weaken the network effect.

**TEACHING ASSISTANTS**

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**LSE, UK**

Risk Management in Financial Markets (Master)	2018-20
Asset Markets (Master)	2018-20
Asset Pricing (PhD)	2019
Derivatives (Master)	2017-19
Principle of Finance (Undergraduate)	2016-18

**LSE Summer School, UK**

Advanced Corporate Finance	2018
Alternative Investments	2017
Finance	2016-17

**LSE-PKU Summer School, China**

Corporate Finance in a Global World	2016
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**REFEREEING**

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Journal of Empirical Finance

**AWARDS & SCHOLARSHIPS**

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Paul Woolley Centre Scholarship	2018-21
LSE Department of Finance Studentship	2015-18
Tianjin People's Government Scholarship	2012
China National Scholarship	2011

**WORKSHOPS ATTENDED**

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FTG Summer School at Wharton, Financial Theory Group, US	2019
Summer Institute in Behavioral Economics, Russell Sage Foundation, US (Travel Grant)	2018
Princeton Initiative: Macro, Money and Finance, Princeton University, US (Travel Grant)	2017
NIPE Summer School in High Frequency Econometrics, University of Minho, Portugal	2016