

WANSHAN SONG

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Education

Singapore Management University

2014 – 2019(Expected)

- Ph.D. in Finance

Southwestern University of Finance and Economics

2010 – 2014

- B.A. in Economics
- GPA: 4.0/5.0 , Rank: top 5%

Research Interest

Market Microstructure, Mutual Funds, ETFs

Working Papers

Passive Investing, Stock Price Efficiency and Liquidity with Ekkehart Boehmer

Abstract: This paper studies the effect of indexing on underlying market quality. First, we find that indexing significantly improves the underlying stocks' market quality, as reflected in increased liquidity and increased price efficiency. Consistent with an arbitrage hypothesis, more trading in the index security itself allows arbitrageurs to help spread systematic information from indexes to underlying securities. This creates a closer link between fundamentals and stock prices. Second, consistent with an investor recognition hypothesis, we find that the effects on the relation between index and underlying stocks is concentrated in small stocks, illiquid stocks, and stocks with low analyst following. Third, we compare index mutual funds to ETFs and consider the differences in associated arbitrage mechanism. We find that trading in ETFs has larger impacts on the underlying stocks. We attribute this larger impact to intraday trading of the ETFs, which create additional arbitrage opportunities.

Work in Progress

Active Holding Effects of Passive Indexes with Ashish Tiwari, Joe Zhe Zhang, Ekkehart Boehmer

Result: We find that stocks held long by passive indexes have higher long-term returns. Long-term active mutual fund managers have stock picking skills by mimicing the passive funds' long-term holding strategies. In passive funds, it is the non-market passive funds which hold relatively fewer stocks that can increase underlying stock returns . In underlying stocks, it is the stocks which are relatively important in passive indexes that have higher returns. We attribute it to active monitoring role of passive indexes through their large voting blocs.

Teaching Experience

Teaching assistant:

- Financial Planning & Advisory (FNCE222) 2014.8 - 2014.11
Instructor: Benedict Koh Seng Kee
- Financial Instruments, Institutions and Markets (FNCE102) 2016.4 - 2016.5
Instructor: Ekkehart Boehmer

- Financial Instruments, Institutions and Markets (FNCE102)
Instructor: Ekkehart Boehmer

2016.8 - 2016.11

C e r t i f i c a t i o n

CFA level 3 candidate

R e f e r e n c e s

Ekkehart Boehmer (Chair)

Professor of Finance

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