John Chi-Fong Kuong

Contact Information

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Employment

CUHK Business School, Associate Professor of Finance, since July 2024
INSEAD, Assistant Professor of Finance, Sep 2014 - Jul 2024 (on leave from Jan-Oct 2022)

Affiliations

Finance Theory Group, member since February 2015
CEPR, Research Affiliate (Banking and Corporate Finance) since January 2021

Education

London School of Economics, PhD Finance, 2009 - 2014
Toulouse School of Economics, MSc Financial Economics, *highest distinction*, 2007 - 2008
University of Macau, BBA Economics, *first class honours*, 2003 - 2007

Research Interests

Theories of financial intermediation and banking, corporate finance, information economics, market microstructure

Publications

1. **Self-fulfilling Fire Sales: Fragility of Collateralized Short-term Debt Markets**
-**The Review of Financial Studies**, Volume 34, Issue 6, June 2021, Pages 2910–2948
-*Best paper awards*, CSEF 2nd conference on 'Bank performance, financial stability and the real economy', Capri 2015
-*First prize*, Deutsche Bank Prize in Financial Risk Management and Regulation, London 2014

2. **Funding Constraints and Informational Efficiency** with Sergei Glebkin and Naveen Gondhi
-**The Review of Financial Studies**, Volume 34, Issue 9, September 2021, Pages 4269–4322

3. **Securitisation and Optimal Foreclosure** with Jing Zeng
-**Journal of Financial Intermediation**, Volume 48, October 2021, 100885

4. **When Large Traders Create Noise** with Sergei Glebkin
-**accepted at Journal of Financial Economics**

5. **The Design of Central Counterparty** with Vincent Maurin
-**Journal of Financial Quantitative Analysis (2023), First View, pp. 1 - 43**

Working Papers

6. **Dealer Funding and Market Liquidity**, with Max Bruche
-**R&R at Management Science**
-*SIX Best Paper Award*, SGF conference, Zurich 2019

7. **Monetary Policy and Fragility in Corporate Bond Funds** with James O'Donovan and Jinyuan Zhang
-**R&R at Journal of Financial Economics**

Work in progress

Sustaining trading relationships with lemons
Market power and agency frictions in delegated investment
Systemic risks in central clearing with Vincent Maurin

Conference Presentations (* by co-author) & Invited Seminars:

2024: EWFS Davos 2024;
Peking University HSBC Business School

2023: 9^{th} Wharton Conference on Liquidity and Financial Fragility, China International Conference in Finance*, INSEAD Finance Symposium, AFA New Orleans;
Bank of England, Stockholm School of Economics, UNSW, NUS, NTU, SMU, CUHK, HKUST, U of Macau

2022: SENA Workshop on Financial Networks (ESSEX), European Banking Center Network Conference (Tilburg), 17th Central Bank Conference on the Microstructure of Financial Markets (Sydney), China International Conference in Finance, Bristol 5th Banking Workshop, Finance Theory Group Spring Meeting at Cornell;
University College London, Washington U at St. Louis Olin (brownbag), VU Amsterdam, BI Olso, ESSEC Finance, Berkeley Haas (internal seminar)

2021: Stern/Salomon Microstructure Meeting, INSEAD Finance Symposium, Humboldt-Bundesbunk Workshop on Financial Intermediation and Corporate Debt Markets*, OxFIT*, SEC Annual Conference on Financial Market Regulation*, SGF*, Gerzensee Workshop on Money, Payments, Banking and Finance*, the Kelley Junior Finance Conference*;
U of Mannheim (Microecon), U.S. Securities and Exchange Commission DERA, Hong Kong Institute of Monetary Research, University Carlos III of Madrid

2020: Asia-Pacific Corporate Finance Online Workshop;
Carnegie Mellon U Tepper, NRU Higher School of Economics, Singapore Management U

2019: FTG summer meeting at Madrid (1 & 2*), FIRS (Savannah)*, Cambridge Corporate Finance Theory Symposium, EFA Carcavelos*, WFA (Huntington Beach), Finance Theory Group Spring meeting at Tepper, Chicago Financial Institutions Conference*, SGF*;
Toulouse School of Economics, Hong Kong Institute of Monetary Research, U of Amsterdam, Fed Board, Wharton (brownbag), U of Vienna

2018: Frontiers of Finance*, Adam Smith workshop*, 6th HEC-McGill Winter Finance Workshop*, Tel Aviv Finance Conference, EFA (Warsaw), WFA (San Diego), FIRS (Barcelona)*, 2nd European Capital Markets Workshop at Cass, EuroFIT workshop (London);
Stockholm School of Economics (brownbag), U of Exeter, U of New South Wales, U of Melbourne, Frankfurt School of Finance and Management (brownbag), U Paris Dauphine

2017: ESSFM-Gerzensee (Corporate Finance) evening session, INSEAD Finance Symposium, 1st Bristol Banking Workshop, Frontier of Finance (Warwick), Chicago Financial Institutions Conference;
ESSEC Econ, Cass Business School, McGill U, HEC Paris (brownbag)

2016: Financial Stability Conference 2016* (D.C.), 8th European Banking Center network conference* (Tilburg), Asian Meeting of the Econometric Society (Kyoto) x2, ESSFM (Asset Pricing) 2016 evening session, Finance Theory Group London meeting 2016 (evening session), Inaugural Young Scholars Finance Consortium* (Texas A&M), European Winter Finance Summit (Davos), Chicago Financial Institutions Conference 2016*;
University of Zurich (x2), Hong Kong Baptist University

2015: CSEF 2nd Conference on 'Bank Performance, Financial Stability and the Real Economy' (Capri), Financial Safety Net Conference (Stockholm), 8^{th} Swiss Winter Conference on Financial Intermediation, European Winter Finance Conference (informal session), Bank of Portugal Bi-annual Conference on Financial Intermediation (Lisbon), EFA 2015 (Vienna) Banque de France - TSE "Securitisation: the way forward" conference, Oxford Financial Intermediation Theory Conference*, China International Conference in Finance*, TSE 'Trading and post-

trading conference' (Toulouse);
BI Oslo, University of Amsterdam

2014: 12^{th} Paris Finance December Meeting, ECB 'Structural developments in money markets' workshop, Bank of Canada 'Collateral, Liquidity and Central Bank Operations' conference.

Discussions (including scheduled)

Helmke, 'Will ETFs Drive Mutual Funds Extinct?', ABFC PhD Forum, December 2023

Luo and Yang, 'The Optimal Structure of Securities under Coordination Frictions', OxFIT, September 2023

Segura and Suarez, 'Bank restructuring under asymmetric information: The role of bad loan sales', New (and Old) challenges to Financial Intermediaries' Conference at Bayes Business School, September 2023

Otto, 'Disclosure Externalities without Information Spillovers', SMU Summer Finance Research Camp, June 2023

Biswas, Koufopoulos, and Thakor, 'Can Information Imprecision Be Valuable? The Case Of Credit Ratings', BSE Summer Forum, Barcelona, June 2023

Carletti, De Marco, Ioannidou, and Sette, 'Bank Failures and Credit Reallocation', INSEAD Finance Symposium, June 2023

D'Erasmo, Erol, and Ordonez, 'Regulating Clearing Network', FIRS Vancouver, June 2023

E. Davila and A. Walther, 'Corrective Regulation with Imperfect Instruments', AEA 2023

S. Choi, 'Are All Durable Assets Created Equal? The Impact of Price Appreciation on Investment', PhD Forum of the Australasian Finance and Banking conference, December 2022

M. Baldauf, C. Frei, and J. Mollner, 'Principal trading arrangements: Optimality under temporary and permanent price impact', 17th Central Bank Conference on the Microstructure of Financial Markets, December 2022

B. Biais and J-C. Rochet, 'Taxing Financial Transactions' (keynote paper), OxFit, June 2022

F. Song and A. Thakor, 'Bank Capital, Trading and Funding Liquidity Creation', INSEAD finance symposium, May 2022

A. Copeland, D. Duffie, and D. Yang, 'Reserves were not so ample after all', INSEAD finance symposium, June 2021

R. Gomez-Cram and M. Grotteria, 'Real-time Price Discovery via Verbal Communication: Method and Application to Fedspeak', SGF, March 2021

L. Huang and A. Winton, 'Soft Collateral, Bank Lending, and the Optimal Credit Rating System', INSEAD finance symposium, June 2020

A. Babus and K. Hachem, 'Markets for Financial Innovation', LBS workshop on financial fragility and safe assets, March 2019

D. Choi, J. Santos, and T. Yorulmazer, 'A Theory of Collateral for the Lender of Last Resort', Baffi Carefin International Banking Conference, Bocconi, October 2018

T. Eisenbach and G. Phelan, 'Cournot Fire Sales', OxFIT, Oxford, August 2018

R. Robatto, 'Bank Runs, Monetary Policy, and (In)efficiency', FIRS (Barcelona), May 2018

B. Hartman-Glaser and B. Hebert, 'The Insurance is the Lemon: Failing to Index Contracts', Adam Smith (London), March 2018

L. Cong and Y. Xiao, 'Up-cascaded Wisdom of the Crowd', European Winter Finance Summit, March 2018

M. van Oordt, ‘Credit Risk Transfer and Bank Insolvency Risk’, Bank business models: structural changes and their systemic implications (Frankfurt), February 2018

R. Matta and E. Perotti, ‘Liquidity Runs and Insecure Debt’, Eighth Erasmus Liquidity Conference, July 2017

W. Diamond, ‘Safety Transformation and the Structure of the Financial System’, Barcelona GSE Summer Forum - Financial Intermediation and Risk, June 2017

G. Strobl, ‘The Effect of Speculative Monitoring on Shareholder Activism’, FIRS Hong Kong, June 2017

M. Bruche, F. Malherbe, and R. Meisenzahl, ‘Pipeline Risk in Leveraged Loan Syndication’, Workshop on Corporate Debt Markets, Cass Business School, March 2017

F. Hoffmann, R. Inderst, and M. Opp, ‘(Mandatory) Deferral of Compensation and Risk-Taking Incentives’, EFA Oslo 2016

V. Maurin, P. Gottardi, and C. Monnet, ‘A Theory of Repurchase Agreements, Collateral Re-use, and Repo Intermediation’, EFA Oslo 2016

R. Aggarwal, J. Bai, and L. Laeven, ‘The Role of the Government Bond Lending Market in Collateral Transformation’, CICF 2016 (Xiamen)

B. Biais, F. Heider and M. Hoerova, ‘Optimal margins and equilibrium prices’, Conference in honour of Bernard Dumas (INSEAD)

C. Bertsch and M. Mariathasan, ‘Fire sale bank recapitalization’, FIRS 2016 (Lisbon)

J. Dow and J. Han, ‘The paradox of financial fire sales and the role of arbitrage capital’, Cambridge Corporate Finance Theory Symposium 2015

M. Harris, C. Opp, and M. Opp, ‘Bank Capital Requirement in a Competitive Financial System’, Financial Intermediation and Risk workshop, Barcelona Summer Forum 2015

Y. Boualam, ‘Bank Lending and Relationship Capital’, FIRS 2015 (Reykjavik)

D. Palvolgyi and G. Venter, ‘Multiple Equilibria in Noisy Rational Expectation Economies’, European Winter Finance Conference 2015

C. Boissel, F. Derrien, E. Örs and D. Thesmar, ‘Systemic Risk in Clearing Houses: Evidence from the European Repo Market’, 12^{th} Paris Finance Meeting 2014

C. Otto and P. Volpin, ‘Marking-to-Market and Inefficient Investment Decisions’, FMA Europe 2014

Awards and Fellowship

Hong Kong Institute of Monetary Research Fellowship	2019, 2021
INSEAD Dean’s Commendation for Excellence in MBA Teaching - 2019/2020	2020
SIX Best Paper Award at SGF conference	2019
Best paper awards in CSEF 2nd Banking conference (Capri)	2015
Deutsche Bank Prize in Financial Risk Management and Regulation, *First Prize*	2014
LSE Class Teacher Awards	2014
LSE Teaching Fellowship	2011 - 2014
LSE PhD Scholarship	2009 - 2013
Alexandre Yersin Scholarship, *Consulate General of France in Hong Kong*	2007 - 2008
Postgraduate Scholarship, *Macau Tertiary Education Service Office*	2007 , 2010

PhD Supervision

Member of dissertation committee of Jinyuan Zhang, INSEAD PhD 2021. Placed at UCLA Anderson
Co-advisor of Dmitry Chebotarev, INSEAD PhD 2022. Placed at Indiana Kelley

Academic Visits
Berkeley Haas, Mar - Apr 2022,
Imperial College Business School, May - Jun 2022,
Washington U at St. Louis Olin, Sep - Oct 2022

Program committee service
FMA Annual Meeting 2024
Western Finance Association Annual Meeting 2022-2024
Financial Intermediation Research Society Annual Conference 2018-2024
European Winter Finance Summit 2020-2024
Bristol workshop on Banking and Financial Intermediation 2023
European Finance Association Annual Meeting 2017-2023
European Economic Association Annual Meeting 2024
Oxford Financial Intermediation Theory (OxFIT) conference 2019-2023
Northern Financial Association Annual Meeting 2019-2021
Midwest Finance Association Annual Meeting 2020
SFS Calvacade Asia-Pacific 2019
Cambridge Corporate Finance Theory Symposium 2019

Referee service
American Economic Review, Journal of Financial Economics, Journal of Finance, Review of Financial Studies, Review of Finance, Management Science, Journal of Economic Theory, Journal of Monetary Economics, Journal of Financial Intermediation, Journal of Banking and Finance, Journal of Institutional and Theoretical Economics

Teaching and Case writing

Corporate Financial Policy (MBA), INSEAD	2016 - 2021, 2023
Business Foundation (MBA), INSEAD	2023
Corporate Finance Theory (PhD), INSEAD	2016 - 2020
Research Topics in Corporate Finance (PhD), INSEAD	2015, 2016, 2017, 2021, 2023

Co-wrote the case **"Square Inc's Valuation in 2014"** with Lily Fang and Sergei Glebkin

Additional Information
Languages: Cantonese (Native), English (Fluent), Mandarin Chinese (Fluent), French (Basic)
Citizenship: Macau SAR, China

Last updated: August 2024