MASAHIRO WATANABE

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Jones Graduate School of Management
Rice University – MS531
6100 Main St.
Houston, TX 77005

Phone: (713) 348-4168
Fax: (713) 348-6296
watanabe@rice.edu
http://www.ruf.rice.edu/~watanabe/

Education

Ph.D., Management (Financial Economics), Yale University, 2003
MBA, Analytic Finance and Econometrics, University of Chicago, 1996
B.Eng., Electronic Engineering, University of Tokyo, Japan, 1991

Academic Appointment

- Assistant Professor of Management, Jones Graduate School of Management, Rice University, July 2003-Present
- Scott Schoen Visiting Fellow, Yale School of Management, July-August 2006.

Publications

- "Strategic Disclosure and Stock Returns: Theory and Evidence from U.S. Cross-listing," (with Shingo Goto and Yan Xu), *Review of Financial Studies*, forthcoming.
  - 2007 FMA Best Paper Award in Financial Institutions

- "Time-Varying Liquidity Risk and the Cross Section of Stock Returns," (with Akiko Watanabe), *Review of Financial Studies*, forthcoming.
  - First place, 2006 Turnaround Management Association Paper Competition

- "Price Volatility and Investor Behavior in an Overlapping Generations Model with Information Asymmetry," *Journal of Finance*, February 2008, 63(1), 229-272.

Working Papers

- "A Model of Stochastic Liquidity," 2008.

- "Equity Issuance and Expected Returns: Theory and New Evidence," 2007 (with Matthew Spiegel).

- "Investor Expectations, Business Conditions, and the Pricing of Beta-Instability Risk," 2007 (with William N. Goetzmann and Akiko Watanabe).

- "Price Impact Costs and the Limit of Arbitrage," 2005 (with Zhiwu Chen and Werner Stanzl).

- "Investor Sentiment in Japanese and U.S. Daily Mutual Fund Flows," 2005 (with Stephen J. Brown, William N. Goetzmann, Takato Hiraki, and Noriyoshi Shiraishi).

- "Value Risk in International Equity Markets," 2005 (with Akiko Watanabe).

- "Liquidity and Conditional Heteroskedasticity in Stock Returns," 2005 (with Akiko Watanabe).

Professional Presentations

Conferences

"Investor Expectations, Business Conditions, and the Pricing of Beta-Instability Risk"
- American Finance Association Meeting, San Francisco, CA, January 2009 (scheduled).
- Lone Star Finance Symposium, Houston, Texas, September 2007.

"Equity Issuance and Expected Returns: Theory and New Evidence"
- UNC-Duke Corporate Finance Conference, October 2008 (scheduled).
- European Finance Association Meetings, Athens, Greece, August 2008.
- Asian/Nippon Finance Association Meetings, Yokohama, Japan, July 2008.
- Second Singapore International Conference on Finance, National University of Singapore, July 2008.

"Strategic Disclosure and Stock Returns: Theory and Evidence from U.S. Cross-listing"
- European Finance Association Meeting, Ljubljana, Slovenia, August 2007.
- Western Finance Association Meeting, Big Sky, Montana, June 2007.
- McGill Conference on Global Asset Management, McGill University, Montreal, June 2007.
- Nippon (Japanese) Finance Association Meeting, Tokyo, June 2007.
- Darden/NYSE Emerging Markets Conference, NYC, New York, March 2007.

"Time-Varying Liquidity Risk and the Cross Section of Stock Returns"
- Western Finance Association Meeting, Keystone, Colorado, June 2006.
- Global Educational Symposium on Liquidity and Corporate Renewal, Turnaround Management Association, Chicago, Illinois, June 2006.
- Texas Finance Festival, San Antonio, Texas, April 2006.
- European Finance Association Meeting, Moscow, Russia, August 2005.
- Nippon (Japanese) Finance Association Annual Meeting, Tokyo, Japan, June 2005.

"Value Risk in International Equity Markets"
- Nippon (Japanese) Finance Association Meeting, Tokyo, Japan, June 2006.

"Investor Sentiment in Japanese and U.S. Daily Mutual Fund Flows"
- Assurant/Georgia Tech International Finance Conference, April 2005.
- European Finance Association Meeting, Berlin, Germany, August 2002.

"A Model of Stochastic Liquidity"
- European Finance Association Meeting, Glasgow, Scotland, August 2003.
- Western Finance Association Meeting, Los Cabos, Mexico, June 2003.

"Price Volatility and Investor Behavior in an Overlapping Generations Model with Information Asymmetry"
- Blaise Pascal Conference on Financial Modeling, Paris, France, July 2003.
- American Finance Association Meeting, Washington D.C., January 2003.
- APFA/PACAP/FMA Meeting, Tokyo, Japan, July 2002.

"Price Impact Costs and the Limit of Arbitrage"
- European Finance Association Meeting, Berlin, Germany, August 2002.
- Western Finance Association Meeting, Park City, Utah, June 2002.
- APFA/PACAP/FMA Meeting, Tokyo, Japan, July 2002.

Invited Seminars

"Equity Issuance and Expected Returns: Theory and New Evidence"

- Nomura Securities, Tokyo, Japan, July 2008.
- Hitotsubashi University, Tokyo, Japan, June 2008.

"Investor Expectations, Business Conditions, and the Pricing of Beta-Instability Risk"

- INQUIRE UK, Cambridge, UK, September 2007.
- Michigan State University, September 2007.

"Time-Varying Liquidity Risk and the Cross Section of Stock Returns"

- Tokyo Finance Workshop, Waseda University, Tokyo, Japan, June 2006.
- University of South Carolina, May 2005.

"A Model of Stochastic Liquidity"

- University of Alberta, January 2005.

"Price Volatility and Investor Behavior in an Overlapping Generations Model with Information Asymmetry"

- Tokyo Finance Workshop, University of Tokyo, Japan, July 2008.
- New York University, February 2003.
- University of Washington-Seattle, February 2003.
- University of Wisconsin-Madison, February 2003.
- Washington University, February 2003.
- Rice University, February 2003.
- University of California-Irvine, February 2003.
- Georgia Institute of Technology, January 2003.
- Boston College, January 2003.
- University of Notre Dame, January 2003.

"Price Impact Costs and the Limit of Arbitrage"

- Trading Technology Workshop, Tokyo, Japan, July 2002.

Professional Services

Editorial Positions

- Associate Editor, *International Review of Finance*, 2008-present.
- Associate Editor, *Japan and the World Economy*, 2008-present.

Ad hoc Referee

- *Journal of Finance, Review of Financial Studies, Econometrica, Review of Economic Studies, Economic Journal, Journal of Financial and Quantitative Analysis, Journal of Financial Markets, Journal of Empirical Finance, Management Science, Journal of International Business Studies, Scandinavian Journal of Economics, Japan and the World Economy, Journal of the Japanese and International Economies*

Session Chair

- Northern Finance Association Meetings, Kananaskis, Canada, September 2008.

Discussant

- Northern Finance Association Meetings, Kananaskis, Canada, September 2008 (two discussions).
- European Finance Association Meetings, Athens, Greece, August 2008.
- Frontiers in Corporate Finance and Governance, Banff, Canada, August 2008.
- Western Finance Association Meeting, Hawaii, June 2008.
- Asian/Nippon Finance Association Meetings, Yokohama, Japan, July 2008.
- European Finance Association Meeting, Ljubljana, Slovenia, August 2007 (two discussions).

- Second Annual Empirical Asset Pricing Retreat, University of Amsterdam, Amsterdam, Netherlands, June 2006.
- European Finance Association Meeting, Moscow, Russia, August 2005.
- European Finance Association Meeting, Berlin, Germany, August 2002.
- APFA/PACAP/FMA Meeting, Tokyo, Japan, July 2002 (two discussions).

Panel Discussion
- Global Educational Symposium on Liquidity and Corporate Renewal, Turnaround Management Association, Chicago, Illinois, June 2006.

Review Committee Member
- APFA/PACAP/FMA Meeting, Tokyo, Japan, July 2002.

Book Review
- David K. Eiteman, Arthur I. Stonehill, and Michael H. Moffett, *Multinational Business Finance*, 11th ed., February 2008.
- Kirt Butler, *Multinational Finance*, 4th ed., Wiley, July 2007.
- Warren Bailey, International Finance textbook project, Addison-Wesley, October 2004.

Testimonials
- Kirt Butler, *Multinational Finance*, 4th ed., Wiley, July 2007.

Awards and Honors

- Scholarship Excellence Award, Jones Graduate School of Management, Rice University, 2008
- FMA Best Paper Award in Financial Institutions, 2007.
- First place with cash prize ($5,000), Turnaround Management Association Paper Competition, 2006.
- Ph.D. Student Travel Grant, Western Finance Association, 2003.
- Yale University Fellowship, 1998-2002.
- Heiwa Nakajima Foundation Fellowship, 1998-2000.
- Rotary Foundation Fellowship, 1998-2001 (Offer declined).
- Sumitomo Bank Fellowship, 1994-1996.

Teaching Experience

Jones Graduate School of Management, Rice University, August 2003-Present.
- International Finance (MBA, PMBA & EMBA)
- Economic Environment of Business (a macroeconomics course, MBA & PMBA)

Teaching Assistant, Yale School of Management
- Professor William N. Goetzmann, Empirical Research in Finance and Accounting (Ph.D.), Spring 2002.
- Professor Jonathan E. Ingersoll, Jr., Financial Instruments and Contracts (MBA), Fall 2001, Fall 2000.
- Professor Hua He, Financial Economics II (Ph.D.), Spring 2001.
- Professor K. Geert Rouwenhorst, International Finance (MBA), Spring 2001.
- Professor Zhiwu Chen, Financial Economics I (Ph.D.), Fall 2000.

Industry Experience

- Associate, Financial Engineering Dept., Sumitomo Bank, Tokyo, Japan, 1991-1998.
  Tailored risk management schemes using foreign-exchange and interest-rate derivatives. Structured asset-backed securities. Clients included over 30 companies listed on the Tokyo Stock Exchange and the New York Stock Exchange.

Research Interests

Theoretical and Empirical Asset Pricing, Market Microstructure.

Teaching Interests

International Finance, Investments, Derivative Securities and Financial Engineering, Fixed Income Securities, and Macroeconomics.

Professional Affiliations

- Member, American Finance Association, 2001-Present.
- Member, American Economic Association, 2007-Present.
- Member, Western Finance Association, 2003-Present.
- Member, Society for Financial Studies, 2003-Present.
- Member, European Finance Association, 2002-Present.
- CMA (Chartered Member of Security Analyst Association of Japan), 1994-Present.
- Member, Nippon (Japanese) Finance Association, 2003-Present.
- Member, Japanese Association of Financial Econometrics and Engineering, 1997-Present.