The Division of Economics and the Economic Growth Centre cordially invite you to a seminar by Professor Zheng Huanhuan

Speaker: Professor Zheng Huanhuan  
Research Assistant Professor  
Institute of Global Economics and Finance  
The Chinese University of Hong Kong

Topic: "Asset Price Bubble and Depression"

Chairperson: Assistant Professor Chia Wai Mun  
Division of Economics  
School of Humanities & Social Sciences

Date: Friday, 7 March 2014

Time: 2:30 pm - 4:00 pm

Venue: HSS Meeting Room 4 (HSS-04-71)  
Nanyang Technological University  
School of Humanities and Social Sciences  
14, Nanyang Drive  
Singapore 637332

About the Speaker:

Huanhuan Zheng received her B.A in Finance and B.S. in Mathematics from Peking University in 2006. She joined the Institute of Global Economics and Finance (IGEF) right after receiving her Ph.D degree in Economics from Nanyang Technological University Singapore in 2011. She specializes in financial economics, international finance and behavioral economics and finance.

Abstract:

Using insights from global game and heterogenous agents modeling, we extend the asset pricing model to account for (i) strategic coordination among heterogeneous agents and (ii) dynamic interaction between heterogenous trading strategies and asset prices. Such a model exhibits strategic complementarities as well as strategic substitutions. It also implies that (i) bubble and depression can persist as a result of the noise in the information aggregation process and the presence of irrational agents; (ii) information transparency magnifies the magnitude of both bubble and depression; (iii) bubble may be transformed into depression and vice versa in the presence of significant external shock.

Reservation:

Admission is free. Please reply to Christina, e-mail: achristina@ntu.edu.sg or Tel: 6790-5689 to confirm your attendance.