LINYING LV

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GRADUATE STUDY

I am a fifth-year Ph.D. in Finance, with a focus on financial economics and quantitative methods. During my graduate education, I engaged in advanced coursework in machine learning, asset pricing, econometrics, and financial derivatives, achieving consistent academic excellence. My doctoral research integrates modern tools such as Generative AI, machine learning and textual analysis into empirical asset pricing.

RESEARCH INTERESTS

My research lies at the intersection of Generative AI, textual analysis, and empirical asset pricing. Specifically, I explore how sell-side analyst reports influence market behavior and return predictability.

DISSERTATION

Dissertation Title: "The Value of Information from Sell-side Analysts"

Dissertation Description:

Sell-side analysts play a pivotal role in financial markets by processing and disseminating information for investors. My dissertation evaluates the value of analyst reports for insider traders and long-term investors using a comprehensive analysis of textual data from these reports. I adapt Shapley value decomposition for large language model (LLM) interpretability to attribute the information value to distinct topics. The findings reveal that analysts' financial analyses impact markets contemporaneously, while fundamental analyses provide lasting investment insights.

Project 1: Analyst Information Value for Insider Traders
Using embeddings from state-of-the-art LLMs, I show that textual information in analyst reports explains 10.19% of contemporaneous stock returns out-of-sample, surpassing the value of quantitative forecasts. Shapley value decomposition identifies that income statement analyses contribute over half of the reports' explanatory power. Economic estimates indicate that early access to analyst reports can yield substantial profits, with the information value peaking within one week following earnings announcements, underscoring analysts' critical role in interpreting new financial data.

Project 2: Analyst Information Value for Long-Term Investors
This paper uncovers new investment value in analyst report text using large language model embeddings. A Ridge regression strategy predicting one-year stock returns from report embeddings generates monthly value-weighted returns of 1.07% with a 0.76 Sharpe ratio, yielding 78 basis points of alpha. The Shapley value analysis reveals the profit stems primarily from discussions of strategic outlook, risk and governance. The strategy's profitability appears partially driven by investor overreaction, as stocks with the lowest predicted long-term returns show the highest sentiment.

WORKING PAPERS

"The Value of Information from Sell-side Analysts", Job market paper
Presented at the WashU Finance Brown Bag Seminar, Wolfe Research QES 8th Annual Global Quantitative and Macro Investment Conference and The 1st Workshop on LLMs and Generative AI in Finance, scheduled for AFA 2025 Poster Session

"Empirical Asset Pricing with Probability Forecasts" with Songrun He, and Guofu Zhou
Scheduled for presentation at AFA 2025

"How Accurate are Survey Forecasts on the Market" with Songrun He, Jiaen Li, and Guofu Zhou
Presented at Fordham University, Iowa State University, Stevens Institute of Technology, Tsinghua University, Shanghai Jiaotong University, University of Illinois Chicago, the University of Texas in Dallas, Washington University in St. Louis, Xi' an Jiaotong-Liverpool University, and Zhejiang University

"The Real Effect of Monetary Policy under Uncertainty: Evidence from the Change in Corporate Financing Purposes" with Jiajun Lu, Yizhong Wang, and Yueteng Zhu
Revise & Resubmit at Journal of Banking & Finance

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