

KIHOON JIMMY HONG

(Last updated October 25th, 2011)

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Graduate Studies

University of Cambridge, 2008 to date

Thesis Title:

“Influence of Conditioning Information, Intervalling Dependency and Autocorrelation in Measuring Risk”

Expected Completion Date: December 2011 (thesis submitted on August 31, 2011)

Thesis Examiners: Internal: External: Dr. Stephen Schaefer Dr. Jamie Alcock

References:

Dr. Stephen Satchell (Supervisor)
University of Cambridge
Phone: (+44) 1223 338409
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Dr. Jayant Ganguli (Research Advisor)
University of Cambridge
Phone: (+44) 1223 335250
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University of Cambridge
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University of Toronto
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Teaching and Research Fields

Primary fields: Financial Economics, Risk Management

Secondary fields: Economics, Empirical Macro Economics

Undergraduate and Master Degree:

Master of Financial Economics, University of Toronto, 2003 - 2005
Bachelor in Arts – Honors Economics, University of Waterloo, 2000 – 2003

Current Research Papers for Job Market 2012**Analytical CoVaR**

(Electronic copy available at: <http://ssrn.com/abstract=1849649>)

This paper proposes an analytical form of CoVaR, which is compatible with the existing VaR and stress-test based risk management framework, adding value by capturing systemic risk of a portfolio. Analytical CoVaR is a computationally inexpensive risk tool used to screen systemic risk. It is reasonably accurate and also has desired statistical properties hence is suitable for use by investment companies, brokerage firms, mutual funds and any business that evaluates risk. Empirical backtest results show that historical analytical CoVaR exceedances pass both Failure Frequency Test and Conditional Test. The paper also presents a theoretical framework within which to investigate how analytical CoVaR captures systemic risk when asset and market returns are serially independent and when they are serially correlated. Analytical CoES is presented as an extension to capture loss beyond CoVaR.

Technical Analysis, Momentum and Autocorrelation (with Steve Satchell)

This article assumes general stationary processes for prices and derives the autocorrelation function for a general Moving Average (MA) trading rule to investigate why this rule is used. The result shows that the MA rule is popular because it can identify the price momentum and is a simple way of tracing and exploiting the price autocorrelation structure without actually knowing it. We focus on analyzing the impact of price momentum on the profitability of the MA rule because the price momentum effect tends to be stronger and longer-lived than the return momentum effect.

Publications

Hong, Jimmy, Knight, John, Satchell, Steve and Scherer, Bernd, "Using Approximate Results for Validating VaR", *Journal of Risk Model Validation*, Vol. 4, Number 3, 2010
(FRM Core Reading List)

Research Papers in Progress

The Sensitivity of Beta to the Time Horizon when Log Prices follow an Ornstein-Uhlenbeck Process (with Steve Satchell) (under review of *The European Journal of Finance*)

Defining momentum in terms of a stochastic process (with Steve Satchell) (under review of *Economics Letters*)

Portfolio Performance Benchmark Construction with Dirichlet Distribution

Teaching Experience

2009 – 2010	Valuation and Strategy, University of Cambridge, Judge Business School, TA
2009 – 2010	Part IIB Paper 6 (3rd year undergraduate Banking, Money and Finance), Cambridge, Dept. of Economics, Teaching Fellow
2009 – 2010	Part IIA Paper 3 (2nd year undergraduate Econometrics), University of Cambridge, Dept. of Economics, Supervisor
2008 – 2009	Part I Paper 3 (1st year undergraduate Quantitative Methods in Economics), University of Cambridge, Dept. of Economics, Supervisor
2004	ECO100 (1st year undergraduate Microeconomics), University of Toronto, TA
2003 – 2004	ECO220 (2nd year undergraduate Business Statistics), University of Toronto, TA

Research Experience and Other Employment: (Details of Experience Available Upon Request)

07/ 2009 – 10/ 2009 Bank of Canada, Financial Stability Department, Research Assistant
06/ 2005 – 07/ 2008 Market Risk, Bank of Montreal Financial Group, Senior Analyst
05/ 2004 – 08/ 2004 UT Asset Management Corp, Analyst

Selected Presentations and Other Professional Activities

“Technical Analysis, Momentum and Autocorrelation”

- The Sixth Annual Conference on Asia–Pacific Financial Markets (CAFM), Seoul, December 3, 2011

“Analytical CoVaR”

- The 2011 International Finance and Banking Society (IFABS), Rome, June 30, 2011
- II World Finance Conference Doctoral Tutorials, Rhodes, Greece, June 15, 2011
- 2011 FMA European Conference Doctoral Student Consortium, Porto, Portugal, June 8, 2011
- 4th Financial Risks International Forum on "Long Term Risks", Paris, March 11, 2011

“The Sensitivity of Beta to the Time Horizon when Log Prices follow an Ornstein-Uhlenbeck Process”

- 23rd Australasian Finance and Banking Conference PhD Forum and the Main Conference, Sydney, December 14, 2010, Paper Discussant: Professor Robert Engle
- Econometrics Workshop, Faculty of Economics, Cambridge University, November 23, 2010
- European Doctoral Group in Economics (EDGE) Jamboree 2010, Dublin, September 11, 2010

"Conditional Value at Risk (CoVaR)", Hong, KiHoon Jimmy (2010), in Satchell, S.E. (ed.), Quantitative Financial Risk Management: Fundamentals, Models and Techniques, The Marketing & Management Collection, Henry Stewart Talks Ltd, London (online at <http://hstalks.com/?t=MM0482748-Hong>), June, 2010

Honors, Scholarships, and Fellowships:

2008 – 2011	Common Wealth Trust Scholarship, Cambridge University
2009 – 2010	Teaching Fellowship, Faculty of Economics, University of Cambridge
2004	Master of Financial Economics Graduate Scholarship, University of Toronto
2003 – 2004	Master of Financial Economics Graduate Award, University of Toronto
2003 – 2004	Teaching Assistantship, Economics Department, University of Toronto

Professional and Research Affiliations

Financial Management Association (FMA), European Financial Association (EFA), Global Association of Risk Professionals (GARP), Global Association of Investment Professionals

Relevant Certificates

2006	CFA Institute Chartered Financial Analyst Passed all three levels of CFA exam on June 2006 and will be eligible for the CFA charter upon completion of the required work experience
2005	Global Association of Risk Professionals (GARP) FRM Charter holder