Sima Jannati

Assistant Professor of Finance

CONTACT
INFORMATION

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ACADEMIC
EMPLOYMENT

University of Missouri-Columbia
    Assistant Professor of Finance

August 2018-

EDUCATION

University of Miami, Coral Gables, FL
    Ph.D., Finance

2013-2018

Amirkabir University of Technology, Tehran, Iran
    M.Sc., Financial Engineering

2011-2013

Amirkabir University of Technology, Tehran, Iran
    B.Sc., Industrial Engineering-Systems Planning and Analysis

2007-2011

RESEARCH
INTERESTS

Behavioral Finance; Empirical Asset Pricing

PUBLICATIONS

[1] Geographic Spillover of Dominant Firms' Shocks

Forthcoming, Journal of Banking and Finance

Awards:
Outstanding Doctoral Student Paper, Southern Finance Association Annual Meeting 2017

This paper shows that productivity shocks to the 100 largest U.S. firms (by revenue) contain systematic information. Specifically, shocks to the top-100 firms predict future shocks to geographically close firms. Intra-sector trade links are an important economic channel for spillover effects. However, these spillovers are not restricted to firms' trade links only. Knowledge externalities and state income tax payments of the top-100 firms are other economic channels through which shocks propagate. Market participants do not fully incorporate the information contained in shocks to the top-100 firms. Consequently, a portfolio analysis that exploits the slow diffusion of information generates an annual risk-adjusted return of 5.4%. Overall, the results show how productivity shocks to the few largest firms in the U.S. spillover to other firms and potentially aggregate to affect the national economy.

WORKING
PAPERS

[1] Big Fish in a Small Pond: Locally-Dominant Firms and the Business Cycle- with George Korniotis, and Alok Kumar

Revise and Resubmit, Journal of Economic Behavior & Organization

Following Gabaix (2011), we identify locally-dominant firms that have a strong impact on their local macroeconomic environment, but are not among the largest 100 U.S. firms. Idiosyncratic shocks to these locally-dominant firms also propagate nationally and explain a significant portion of aggregate U.S. macroeconomic fluctuations. Specifically, we find that locally-dominant firms exist in 13 U.S. states and productivity shocks to these firms explain almost 50% of the U.S. GDP growth.

[2] Transient Emotions, Perceptions of Well-being, and Mutual Fund Flows- with William Bazley and Arash Dayani

Revise and Resubmit, Finance Research Letters

Investors' sentiment is typically proxied by aggregate measures. However, it is composed of distinguishable elements, including impermanent emotions and subjective appraisals of well-being. We show that experiencing transient happiness predicts flows to mutual funds. When considering funds' investment style, heterogeneous implications arise. Positive affect corresponds to flows to growth funds but not value funds. Higher perceptions of future well-being also predict greater flows to growth funds. Overall, broad measures of sentiment may conceal nuances of investor behavior, which can potentially impact asset prices through investment style preferences.

[3] Peer Effects of All-Star Females

Awards:
Semi-finalist for the best paper award in Investments, Financial Management Association Annual Meeting 2018
Winemiller Excellence Fund Data Analytics Awards, University of Missouri, Spring 2019

This paper studies how senior women's representation in the workplace leads to positive outcomes. I find that all-star female analysts positively affect the performance of their peers. Specifically, an increase in the number of all-star females in a brokerage spurs the future performance of other analysts in that brokerage. These results are not explained by unobserved factors that may affect analysts' sorting behavior and performance. Analysts who cover firms in the same industry as all-star females experience a larger boost in their outcomes, suggesting that knowledge spillover is an economic channel through which all-star females affect their cohorts' performance.

[4] The Disposition Effect in Mutual Funds' Trades: The Role of Managers' Endurance- with Arash Dayani

Awards:
Semi-finalist for the best paper award in Corporate Finance, Financial Management Association Annual Meeting 2019

We use long-distance running as a quasi-natural experiment and study whether endurance activities affect fund managers' trading behavior. We find that funds with a larger share of marathon runner managers are less prone to the disposition effect. A higher representation of runner managers also predicts larger risk-adjusted excess returns. To account for endogeneity, we use the annual number of marathon events in funds' states as an instrument for the proportion of runner managers and find a consistent outcome. Overall, these results provide behavioral evidence for the disposition effect among fund managers.

[5] In-Group Bias in Financial Markets- with Alok Kumar, Alexandra Niessen-Ruenzi, and Justin Wolfers

This paper investigates in-group bias in financial markets. Specifically, we argue that equity analysts may have less favorable opinions about firms that are not headed by CEOs of their own group. We define groups based on gender, ethnicity and political attitudes. Examining analysts earnings forecasts, we find that male analysts have lower assessments of firms headed by female CEOs than female analysts. Results are very similar if in-groups are defined based on ethnicity or political attitudes. Overall, our results provide robust evidence for in-group bias in financial markets.

WORK IN
PROGRESS

[1] Catching Up With The Locals: Geography and Information Acquisition Strategies of Institutional Investors- with Carina Cuculiza, Alok Kumar, and Sarah Khalaf

[2] Feeling and Deciding: The Influence of Emotion on Borrowing- with William Bazley

[3] Depression Realism and Earnings Forecast Accuracy- with Sarah Khalaf and Du Nguyen

NON-ENGLISH
PUBLICATIONS

[1] Shams Gharneh. N., Jannati. S., Developing a Dynamic KMV Model to Predict Default Probability for Listed Company in "Metal Product" Sector in Iran's Exchange Market, Journal of Financial Engineering and Portfolio Management, Vol. 3. pp. 1-12, Iran.

PRESENTATIONS
AND
DISCUSSIONS

2020: Eastern Finance Association, Financial Management Association (scheduled)

2019: Financial Management Association; American Economic Association; University of Missouri; University of Oregon (co-author); Middle Tennessee State University; Academic Research Colloquium (presentation and discussion); Academic Research Colloquium poster session; Eastern Finance Association (presentation and discussion)

2018: American Finance Association (Ph.D. poster session); Eastern Finance Association (presentation and discussion); Southwestern Finance Association (presentation and discussion); Financial Management Association

2017: American Finance Association; Bi-Annual Household and Behavioral Finance Symposium; MFS Investment Management; Midwest Finance Association (presentation and discussion); Financial Management Association; Miami Behavioral Finance Conference; Southern Finance Association (presentation and discussion); Scheller College of Business; University of Missouri at Columbia; Virginia Commonwealth University; California State University at Fullerton; Cornerstone Research

2016: University of Miami; Financial Management Association (discussion $\times 2$)

2015: University of Miami; Financial Management Association (discussion)

TEACHING
EXPERIENCE

Investments, Undergraduate, Instructor	Fall 2018; Fall 2019
Fundamentals of Finance, Undergraduate, Instructor	Fall 2017
Valuation and Financial Decision Making, MBA, TA	Spring 2018, 2017, 2014
Corporate Finance, MBA, TA	Fall 2015, 2013
Investments and Security Markets, Undergraduate, TA	Spring 2014

PROFESSIONAL
SERVICE

Internationalization Committee, University of Missouri	2018-
Faculty Search Committee, University of Missouri	2019, 2020
Academic Female Finance Committee, Ph.D.s' Chairperson	2017, 2018

REFEREE	Review of Financial Studies	
	Review of Financial Economics	
	Journal of Empirical Finance	
	Corporate Governance: An International Review	

CONFERENCE COMMITTEES	Midwest Finance Association Annual Meeting	2020
	Financial Management Association Annual Meeting	2019
	Eastern Finance Association Annual Meeting	2019
	Showcasing Women in Finance Conference, Assistant Organizer	2017, 2018

PROFESSIONAL EXPERIENCE	Mellat Insurance Company, Financial Analyst	2013
	Iran's Industries Investment Company, Financial Analyst	2012

HONORS AND AWARDS	Semi-finalist for the best paper award in Corporate Finance, Financial Management Association Meeting	October 2019
	Winemiller Excellence Awards, University of Missouri	Spring 2019
	Semi-finalist for the best paper award in Investments, Financial Management Association Meeting	October 2018
	GAFAC award for graduate students, University of Miami	March 2018
	Outstanding paper award, Southern Finance Association Meeting	November 2017
	School of Business Administration Fellowship, University of Miami	2013-2017
	Ranked 1st among all M.Sc. students of class 2013 in the field of Financial Engineering, Amirkabir University of Technology, Tehran, Iran	2011-2012
	Admitted with honors to the M.Sc. Program in Financial Engineering as an Exceptional Talented Undergraduate Student by the Department of Industrial Engineering and Management Systems, Amirkabir University of Technology, Tehran, Iran	2010
	Ranked as an Exceptional Talent in each year of B.Sc. studies, Amirkabir University of Technology, Tehran, Iran	2007-2011
	Ranked top 0.1% among more than 500,000 participants in the National Universities Entrance Exam, Iran	2007

MEDIA COVERAGE	Stock Analysts' Biases Are Showing, a Study Finds, Wall Street Journal	April 2017
	How Biases Affect Stock Analyst Predictions, National Public Radio	February 2017

SKILLS	Finance Technical Software: Stata, SAS, Psychophysics Toolbox (MATLAB)
	Engineering Technical Software: MATLAB, Eviews, Comfar III Expert, MSP, Access
	Programming Languages: C