https://doi.org/10.1017/S0022109023001436 Published online by Cambridge University Press

JFQA

JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

Initial Public Offerings Chinese Style
Yiming Qian, Jay R. Ritter, and Xinjian Shao

Standing Out from the Crowd via CSR Engagement: Evidence from Non-Fundamental-Driven Price Pressure
Lei Gao, Jie (Jack) He, and Juan (Julie) Wu

Short Squeezes and Their Consequences
Paul Schultz

Overcoming Arbitrage Limits: Option Trading and Momentum Returns
Abhay Abhyankar, Ilias Filippou, and Pedro A. Garcia-Ares

The Effects of a U.S. Approach to Enforcement: Evidence from China
Tinghua Duan, Kai Li, Rafael Rogo, and Ray Zhang

Derivatives and Market (Il)liquidity
Shiyang Huang, Bart Z. Yueshen, and Cheng Zhang

Cash Induced Demand
Huaizhi Chen

Trader Competition in Fragmented Markets: Liquidity Supply Versus Picking-Off Risk
Alejandro Bernales, Nicolás Garrido, Satchit Sagade, Marcela Valenzuela, and Christian Westheide

Initial Margin Requirements and Market Efficiency
Ferhat Akbas, Lezgin Ay, and Paul D. Koch

Labor and Finance: The Effect of Bank Relationships
Patrick Behr, Lars Norden, and Raquel de Freitas Oliveira

The Impact of Uncertainty on Investment: Empirical Challenges and a New Estimator
Delong Li and Yiguo Sun

Cross-Subsidization in Conglomerate Firms: Evidence from Government Spending Shocks
Darren J. Kisgen and Lei Kong

Do Underwriters Short-Change Corporations Issuing Bonds?
Jeremy C. Goh and Lisa (Zongfei) Yang

A Liberalization Spillover: From Equities to Loans
Xin Liu, Shang-Jin Wei, and Yifan Zhou

Editors

Hendrik Bessembinder
Ran Duchin
Thierry Foucault
Jarrad Harford
Kai Li
George Pennacchi
Stephan Siegel

Published by Cambridge University Press for the University of Washington Michael G. Foster School of Business in cooperation with the Arizona State University W. P. Carey School of Business, Boston College Carroll School of Management, HEC Paris, the University of British Columbia Sauder School of Business, and the University of Illinois at Urbana-Champaign Gies College of Business

VOL. 59, NO. 1 | February 2024

CAMBRIDGE UNIVERSITY PRESS

JFQA

JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

A PUBLICATION OF THE UNIVERSITY OF WASHINGTON MICHAEL G. FOSTER SCHOOL OF BUSINESS IN COOPERATION WITH THE ARIZONA STATE UNIVERSITY W. P. CAREY SCHOOL OF BUSINESS, BOSTON COLLEGE CARROLL SCHOOL OF MANAGEMENT, HEC PARIS, THE UNIVERSITY OF BRITISH COLUMBIA SAUDER SCHOOL OF BUSINESS, AND THE UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN GIES COLLEGE OF BUSINESS

VOL. 59, NO. 1, FEBRUARY 2024

Initial Public Offerings Chinese Style 1
Yiming Qian, Jay R. Ritter, and Xinjian Shao

Standing Out from the Crowd via CSR Engagement: Evidence from Non-Fundamental-Driven Price Pressure 39
Lei Gao, Jie (Jack) He, and Juan (Julie) Wu

Short Squeezes and Their Consequences 68
Paul Schultz

Overcoming Arbitrage Limits: Option Trading and Momentum Returns 97
Abhay Abhyankar, Ilias Filippou, and Pedro A. Garcia-Ares

The Effects of a U.S. Approach to Enforcement: Evidence from China 121
Tinghua Duan, Kai Li, Rafael Rogo, and Ray Zhang

Derivatives and Market (Il)liquidity 157
Shiyang Huang, Bart Z. Yueshen, and Cheng Zhang

Cash Induced Demand 195
Huaizhi Chen

Trader Competition in Fragmented Markets: Liquidity Supply Versus Picking-Off Risk 221
Alejandro Bernales, Nicolás Garrido, Satchit Sagade, Marcela Valenzuela, and Christian Westheide

Initial Margin Requirements and Market Efficiency 249
Ferhat Akbas, Lezgin Ay, and Paul D. Koch

Labor and Finance: The Effect of Bank Relationships 283
Patrick Behr, Lars Norden, and Raquel de Freitas Oliveira

The Impact of Uncertainty on Investment: Empirical Challenges and a New Estimator 307
Delong Li and Yiguo Sun

Cross-Subsidization in Conglomerate Firms: Evidence from Government Spending Shocks 339
Darren J. Kisgen and Lei Kong

Do Underwriters Short-Change Corporations Issuing Bonds? 369
Jeremy C. Goh and Lisa (Zongfei) Yang

A Liberalization Spillover: From Equities to Loans 395
Xin Liu, Shang-Jin Wei, and Yifan Zhou

https://doi.org/10.1017/S002210902300145X Published online by Cambridge University Press

MANAGING EDITORS

Hendrik Bessembinder
Arizona State University

Ran Duchin
Boston College

Jarrad Harford
University of Washington

Thierry Foucault
HEC Paris

Kai Li
University of British Columbia

George Pennacchi
University of Illinois at Urbana-Champaign

Stephan Siegel
University of Washington

ADVISORY EDITORS

Stephen Brown
New York University

Mara Faccio
Purdue University

Mark Grinblatt
University of California at Los Angeles

ASSOCIATE EDITORS

George Aragon
Arizona State University

Warren Bailey
Cornell University

Turan Bali
Georgetown University

Alice Bonaimé
University of Arizona

Murillo Campello
Cornell University

Riccardo Colacito
University of North Carolina at Chapel Hill

Jeffrey Coles
University of Utah

Zhi Da
University of Notre Dame

Vivian Fang
University of Minnesota

Todd Gormley
Washington University in St. Louis

Allaudeen Hameed
National University of Singapore

Jie He
University of Georgia

Po-Hsuan Hsu
National Tsing Hua University

Jiekun Huang
University of Illinois at Urbana-Champaign

Travis Johnson
University of Texas at Austin

Marcin Kacperczyk
Imperial College London

Jonathan Karpoff
University of Washington

Francis Longstaff
University of California at Los Angeles

Nadya Malenko
Boston College

Ronald Masulis
University of New South Wales

John McConnell
Purdue University

Robert McDonald
Northwestern University

R. David McLean
Georgetown University

Darius Palia
Rutgers University

Neil Pearson
University of Illinois at Urbana-Champaign

Jeffrey Pontiff
Boston College

David Reeb
National University of Singapore

Matthew Ringgenberg
University of Utah

Bryan Routledge
Carnegie Mellon University

Paul Schultz
University of Notre Dame

Mikhail Simutin
University of Toronto

Denis Sosyura
Arizona State University

Chester Spatt
Carnegie Mellon University

Kumar Venkataraman
Southern Methodist University

Yuhai Xuan
University of California at Irvine

David Yermack
New York University

Scott Yonker
Cornell University

Lu Zhang
Ohio State University

Guofu Zhou
Washington University in St. Louis

PRODUCTION EDITOR
Wendy Katz
University of Washington

BUSINESS MANAGER
Susan Huot
University of Washington

The Journal of Financial and Quantitative Analysis (ISSN 0022-1090), Michael G. Foster School of Business, University of Washington, 109 Founders Hall, UW Box 353200, Seattle, WA 98195-3200, is published 8 times a year in February, March, May, June, August, September, November, and December by Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006/Cambridge University Press, University Printing House, Shaftesbury Road, Cambridge CB2 8BS, UK for the University of Washington Michael G. Foster School of Business in cooperation with the Arizona State University W. P. Carey School of Business, Boston College Carroll School of Management, HEC Paris, the University of British Columbia Sauder School of Business, and the University of Illinois at Urbana-Champaign Gies College of Business. Periodicals Postage Paid at New York, NY and additional mailing offices. POSTMASTER: Send address changes to Journal of Financial and Quantitative Analysis, Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA.

Copyright 2024, Michael G. Foster School of Business, University of Washington

https://doi.org/10.1017/S002210902300145X Published online by Cambridge University Press

JFQA

JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

PHONE: (206) 543-4598
FAX: (206) 616-1894
E-MAIL: jfqa@uw.edu
URL: jfqa.org

University of Washington
Michael G. Foster School of Business
109 Founders Hall UW Box 353200
Seattle, WA 98195-3200 USA

VOL. 59, NO. 1, FEBRUARY 2024

PURPOSE AND FOCUS

The Journal of Financial and Quantitative Analysis (JFQA) publishes theoretical and empirical research in financial economics. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers. Opinions expressed in the JFQA are those of the authors and do not necessarily reflect those of the University of Washington Michael G. Foster School of Business. For submissions queries, please write, call, fax, or e-mail the JFQA office. For all other information related to the journal, please contact Cambridge Journals Customer Services: Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA.

SUBMISSIONS

www.editorialmanager.com/jfqa

It is JFQA policy to give prompt attention to all submitted manuscripts. Consistent with this policy, honoraria are paid to referees who provide timely reviews. Submit manuscripts online (www.editorialmanager.com/jfqa). Payment is required at the time of submission. Please consult the journal website for current submission details. Manuscripts are considered for publication on the understanding that they have not been previously published in whole or in part, and are not being simultaneously considered for publication elsewhere.

SUBSCRIPTIONS

cambridge.org/jfqa

For individuals or institutions interested in a single journal subscription in 2023, please contact Cambridge Journals Customer Services. In the U.S., Canada, or Mexico, subscription fees are payable in U.S. dollars: journals_subscriptions@cambridge.org. Elsewhere in the world, subscription fees are payable in U.K. pounds sterling: journals@cambridge.org

2024 Annual Subscription Fees
Volume 59: February, March, May, June, August, September, November, and December

Category	Access Type	Price
Institutions	Print & Electronic	£588/$1037
Institutions	Electronic Only	£407/$679
Institutions	Print Only	£607/$1128
Individuals	Print & Electronic	£104/$186
Individuals	Electronic Only	£64/$113
Individuals	Print Only	£89/$168
Students	Print Only	£30/$40

RIGHTS AND PERMISSIONS

All rights reserved. No part of this publication may be reproduced, in any form or by any means, electronic, photocopying, or otherwise, without permission in writing from Cambridge University Press. General enquiries from the USA, Mexico, and Canada should be addressed to the New York office of Cambridge University Press cambridge.org/us/information/rights/contacts/newyork.htm; general enquiries from elsewhere should be addressed to the Cambridge office cambridge.org/uk/information/rights/contacts/cambridge.htm; permission enquiries from Australia and New Zealand should be addressed to the Melbourne office cambridge.org/uk/information/rights/contacts/australia.htm; enquiries regarding Spanish language translation rights (only) should be addressed to the Madrid office cambridge.org/uk/information/rights/contacts/madrid.htm. Photocopying information (for users in the USA): Copying for internal or personal use beyond that permitted by Sec. 107 or 108 of the U.S. Copyright Law is authorized for users duly registered with the Copyright Clearance Center (CCC), provided that the appropriate remittance is paid directly to: CCC, 222 Rosewood Drive, Danvers, MA 01923, USA. Specific written permission must be obtained for all other copying; contact the nearest Cambridge University Press office.

https://doi.org/10.1017/S002210902300145X Published online by Cambridge University Press