

Innovation, Productivity, and Challenges in the Digital Era: Asia and Beyond



Next webinar: 6 April 2022, Wednesday

10:00 am – 11:10 am, Wednesday (Beijing-Singapore Time)

7:30 am – 8:40 am, Wednesday (India Time)

10:00 pm – 11:10 pm, Tuesday (US Time / Eastern Time)*

9:00 pm – 10:10 pm, Tuesday (Central Time)*

UPCOMING WEBINARS

6 April 2022, 10:00 AM (SGT)

Blockchain without Crypto? Linking On-Chain Data Growth to Firm Fundamentals and Stock Returns

Despite the explosive growth of cryptocurrencies and decentralized finance, whether the underlying technology adds significant value and will thus sustain broad adoption remain unclear. Using proprietary data on firm-level blockchain records from 2015 to 2021, the authors conduct the first large-sample study linking blockchains to firm fundamentals and asset valuation in a country where cryptocurrencies are completely banned. The authors find that year on-year quarterly blockchain data growth (BDG) contains value-relevant information for nowcasting and forecasting assets growth, sales growth, ROA, standardized unexpected earnings (SUE), and innovation outcomes measured through patents. BDG also predicts stock returns, especially around future earnings announcements, with a long-short BDG-sorted portfolio generating a 10.56% risk-adjusted return annually. The findings are robust across industries and regions, superior compared to other nowcasters, and hold in international samples. The authors further discuss the underlying economic channels (e.g., continuous disclosure and reduction in information asymmetry) and provide evidence for causality which are consistent with real-life use cases and heterogeneity analyses that reveal firms with greater information asymmetry, lower disclosure quality, and less public trust benefit more from blockchain adoption and on-chain data growth.



Lin William CONG

Rudd Family Professor of Management and Associate Professor of Finance,
Samuel Curtis Johnson Graduate School of Management,
Cornell University

Co-author:

Ran CHANG, Assistant Professor of Finance, Antai College of Economics and
Management, Shanghai Jiao Tong University



Discussant:

Greg BUCHAK

Assistant Professor of Finance, Stanford Graduate School of Business,
Stanford University

Session Format

The session lasts for 1 hour 10 minutes (25 minutes for the presenter, 25 minutes for the discussion and 20 minutes for participants' Q&A). Sessions will be recorded and posted on ABFER's web, except in cases where speakers or discussants request us not to.

Registration

Please register [here](#). A unique Zoom webinar link will be sent to you two days before the event. (Notice: Videos and screenshots will be taken during each session for the purpose of marketing, publicity purposes in print, electronic and social media)

About the Webinar

Artificial Intelligence (AI), Big Data, multilevel neural nets, the Internet of Things (IoT) and other digital technologies are transforming the world. They are strengthening innovation and productivity and innovation by rendering the future more predictable and reshaping individual, business, social, and government behavior. Asia leads the world in some of these endeavors, e.g., digital platforms. The OECD lists 40% of big new digital technologies as Asian. Almost half of global digital platform business-to-consumer revenues are Asian, versus only 22% from the U.S. and 12% from the Eurozone. Profound new policy challenges arising, in consequence, include: shifting skills demanded in labor markets and “digital divide” inequality, (ii) AI expanding financial inclusion or encoding inequality, expanding or obscuring accountability, increasing transparency or obscuring amoral decision-making, and (iii) digital privacy, unsanctionable on-line libel, misinformation, manipulation, and propaganda. The ABFER, therefore, plans a monthly e-seminar series spotlighting important new research, particularly the Asia-pacific related, into these issues and providing “state-of-the-art” overviews by prominent scholars. We hope policy makers and practitioners will find the e-seminars helpful and will alert researchers to issues needing attention.