

Vitaliy Ryabinin

Indiana University Northwest
3400 Broadway
Gary, IN 46408
Dunes Medical/Professional Building 1127

viryab@iu.edu
+1 (617) 447-6813
www.vr19.org

EMPLOYMENT

08/2024–Present	Indiana University Northwest, Assistant Professor of Finance
10/2018–08/2019	New Frontier Advisors (Boston, MA); Senior Portfolio Analyst
06/2015–09/2018	New Frontier Advisors (Boston, MA); Research Analyst

EDUCATION

PhD	Finance, Imperial College London, 2024
MRes	Finance, Imperial College London, 2020
MS	Finance, University of Massachusetts Boston, 2017
BS	Operations Research, Cornell University, 2015

WORKING PAPERS

Statistical Properties of News Sentiment and Implications for Return Predictability

Using text-based variables with unknown statistical properties alongside conventional numeric variables carries a high risk of distorting economic inference. I find that daily news-based variables, regardless of their construction methodology, are often nonstationary and thus violate common assumptions of time series analysis. Examining news sentiment, I show that relying on existing robust methods reduces the risk of Type I error. Contrary to Garcia (2013), I find that daily news sentiment forecasts stock market returns at least as effectively during both recessions and expansions, with some evidence suggesting better predictability during expansions.

The Value of Trade Secrets: Evidence from Economic Espionage

(with Alexander Michaelides, Andreas Milidonis, and Yupana Wiwattanakantang)

We estimate a lower bound of trade secrets' aggregate value, a key component of intangible capital. We hand-collect criminal cases involving trade secret theft filed under the Economic Espionage Act of 1996. Victim firms are notably larger than an average S&P 500 constituent. The value of trade secrets is substantial, with the average market value loss corresponding to \$1.6–2.1 billion. Aggregating across all events between 1996 and 2019, the total loss exceeds \$190 billion. For at least three years after the theft, victim firms acquire other firms, potentially to replenish their intangible capital.

The FOMC Announcement Premium Asymmetry

Excess equity returns around Federal Open Market Committee (FOMC) meetings are concentrated in recessions. On FOMC announcement days, the difference between stock returns in recessions and expansions is 73–119 basis points (bps). For reference, the unconditional difference between the announcements and all other trading days is 21 bps. The asymmetry remains statistically significant after accounting for the elevated volatility in economic downturns. The pre-announcement drift and the compensation for bearing risk on announcement days are also much more pronounced in recessions. Overall, the state-dependent equity market behavior around FOMC news releases reflects the asymmetric risk accumulation over the business cycle.

WORK-IN-PROGRESS

Financial Texts and Strategic Information Sequencing

I propose a new methodology for quantifying topic importance based on the order and context of words within a text. It captures strategic information sequencing (intentional emphasis or obfuscation) and allows to evaluate the interdependence between individual topics. The procedure does not require dimensionality reduction and tangibly reduces measurement error. To accompany the measure, I also introduce a test (based on Zipf's law) to assess whether the out-of-context word usage affects topic identification. To validate the methodology, I recover a subset of financially constrained firms sensitive to the interest rate movements from the Item 1A "Risk Factors" section of 10-K filings. These firms earn higher returns compared to the companies that are either constrained or sensitive to the interest rates, demonstrating the interdependence of financial risks. Altogether, empirical findings show that the measure provides different insights compared to the word frequencies.

Cybersecurity Risk Disclosure and Pricing

Cybersecurity risk exposure and managerial decision to disclose it strongly depend on the firm's industry and size. After accounting for the industry-level effects, only small firms have statistically significant cyber risk alpha. For small firms, a potential incident is a tail event; large firms are either too big to fail or self-insure.

TEACHING

2025	*	Financial Management (Indiana University Northwest) Lead Instructor, Online (Undergraduate Course) Asynchronous Instruction (teaching materials supplied in advance)
2025	*	Corporate Financial Strategy and Governance (Indiana University Northwest) Lead Instructor, In-Person (Undergraduate Course)
2025	*	Financial Management (Indiana University Northwest) Lead Instructor, In-Person (Core Weekend MBA Course, 4x 1-day sessions)
2024	4.09/5.00	Financial Management (Indiana University Northwest) Lead Instructor, Online (Core MBA Course) Asynchronous Instruction (teaching materials supplied in advance)
2024	4.20/5.00	Equity and Fixed Income Investment (Indiana University Northwest) Lead Instructor, In-Person (Undergraduate Course)
2021	4.45/5.00	Financial Statistics (Imperial College Business School) Teaching Assistant, Risk Management and Financial Engineering Program Synchronized Hybrid Instruction (simultaneous on-line and classroom participation)

**Course in progress, evaluation not yet available.*

PERSONAL DETAILS

Date of Birth	December 19, 1992
Place of Birth	Kharkiv, Ukraine
Languages	English, Ukrainian, Russian
Citizenship	United States of America