



The University of Chicago  
Department of Statistics

MASTER'S THESIS PRESENTATION

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**Momentum Premium in Korean Stock Market  
and its Comparison with that of the US**

**THURSDAY, May 12, 2011, at 4:30 PM**  
110 Eckhart Hall, 5734 S. University Avenue

**ABSTRACT**

Momentum premium is a priced state variable which has not been fully understood why this happens so far. At first, I found that there is not momentum premium in Korean stock market which is an obviously opposite situation of the US market. To figure out the reason for this unique situation of Korea, I tried to focus on the stochastic discount factor, information asymmetry, and a factor mimicking portfolios for liquidity. I realized that more advanced theory and suitable data of Korea are necessary for discount factor and information asymmetry analyses. But, from the analysis with a liquidity risk factor, it seems to be revealed that there can be a main reason for no momentum in Korea except the liquidity risk factor. I would like to continue on studying momentum and liquidity risk in my Ph.D studies with more advanced theory and accumulated data in the end.

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Information about building access for persons with disabilities may be obtained in advance by calling Sandra Romero at 773.702-0541 or by email ([sandra@galton.uchicago.edu](mailto:sandra@galton.uchicago.edu)).