

Harrison Ham

2165 S Milledge Ave. F10
Athens, GA 30605
+1 (912) 346-3510
HarrisonDHam@Gmail.com

EDUCATION

University of Georgia
PhD in Finance

Athens, GA
May 2024

University of Georgia
Master of Arts in Economics
Bachelors of Business Administration in Finance

Athens, GA
May 2020
May 2020

RESEARCH INTERESTS

Asset Pricing, FinTech, Interest Rates, Machine Learning

WORKING PAPERS

“Expectations Matter: When (not) to Use Machine Learning Earnings Forecasts” (Job Market Paper)

with Katherine Wood, Zhongjin Lu, and John Campbell

Revise and Resubmit: The Journal of Accounting and Economics

Presentations: The University of Georgia 2023, Syracuse University 2023, The Chinese University of Hong Kong 2023, The University of Maryland 2023, Rice University 2023

We comprehensively examine the superiority of various statistical methods and analysts’ forecasts in predicting earnings to provide an updated view on the best surrogate of earnings expectations. We also evaluate the impact of specification choices used in recent studies that implement ML models to forecast earnings by exhaustively comparing 3,024 models derived from the full combination of nine sets of specification choices and six machine learning (ML) algorithms. Our findings show that only a few key specification choices significantly affect the accuracy of ML model forecasts, while the others have negligible effect. Our analysis, along with codes and estimates, provide a much needed bridge between the earlier literature and recent ML earnings forecasting studies. We also find that the extent to which ML models are better at forecasting earnings than analysts is nuanced. Critically, ML models outperform analysts only when the model uses analysts’ forecasts as an input. The magnitude of the machine’s superiority over analysts is economically small among large-cap stocks and for shorter forecasting horizons. Furthermore, ML superiority has been decreasing over time. Despite this fact however, we show that market expectations are closer to that of the machine than to that of the analyst for shorter forecast horizons when the machine and analysts’ forecasts disagree, indicating that while the forecasts are very similar, the machine forecast can offer a marginally better representation of market expectations. The market expectation is also closest to the strongest machine forecasts, demonstrating the importance of identifying the strongest ML specifications. Overall, our results suggest that while the machine does outperform the analyst forecast in most scenarios, this

improvement is negligible among near term forecasts, and among large cap firms, making the easily obtainable analyst forecast a viable option. However, ML forecasts can offer significant improvements in longer-term forecasts and for small-cap stocks, while also serving as a stronger proxy for short term market expectations.

“Valuation Uncertainty and the Bounded Rationality of Investors’ Earning Expectation”

with Katherine Wood, Zhongjin Lu, and Wang Renxuan

Presentations: The University of Georgia 2023, China Europe International Business School 2023, Cardiff Fintech Conference 2022

Information choice theories make ambiguous predictions about how investors acquire information under uncertainty: higher uncertainty may motivate more information acquisition but also increase processing costs. Using the return predictability of analysts’ conditional biases as a measure of investors’ information choice (more return predictability means less information acquisition and less rational market expectation), we find a positive relation between uncertainty and information acquisition in the time series but a negative relation in the cross-section. These results are robust across various measures of uncertainty and other earnings-related return predictors. We hypothesize that investors’ information processing costs are more driven by persistent firm-level uncertainty than time-series variations and show the hypothesis is empirically supported by direct measures of information scarcity and complexity. Our findings highlight the role of information costs in information choice theory and pose new challenges to alternative theories.

“Quantifying The Maturity Risk Premium: Insight From Machine Learning ”

Presentations: UGA 2023

Forward rates implied by the yield curve often deviate from reality because yields price in a premium for maturity risk. I use machine learning to create an ex-ante measure of this premium. Then, by subtracting this premium from forward rates, I create a powerful interest rate forecast which has strong statistical and economic predictive power. Finally, I use the machine learning model to dig into the determinants of the maturity risk premium, and find that markets charge a higher premium when opportunity costs are high, and when faced with higher uncertainty. This heterogeneity provides strong evidence against the weak expectations hypothesis’s assumption that the maturity risk premium is time invariant.

TEACHING EXPERIENCE

University of Georgia

Teaching Assistant

Head Teaching Assistant

Fall 2022/2023

Empirical Research in Investments (PhD)

Fall 2022

Investment Management (Will teach as instructor of record Spring 2024)

2021-2023

Survey of Investments

2020-2023

Financial Modeling in Excel

2020-2023

PROFESSIONAL EXPERIENCE

Angel Oak Capital Advisors

Quantitative Macro Analyst

Atlanta, GA

January 2023-June 2023

My primary goal was to create an interest rate forecasting model using machine learning, which would help guide Angel Oak's fixed income based portfolios. The model shows very promising results, and ended up being the basis behind my working paper "Quantifying The Maturity Risk Premium: Insight From Machine Learning".

Good Racks LLC

CFO/Owner

Savannah, GA

September 2018-Present

Good Racks is a company that manufactures and sells ski/snowboard wall display racks. My brother and I both have run the company over the last few years as a fun side project, with the total lifetime sales approaching \$300k over the life of the business. I managed all the financial, accounting and legal work for the company. See www.goodracks.com for more information on our company.

Signature Wealth Management

Intern

Atlanta, GA

June 2019-August 2019

At Signature, I both worked with advisors in a client facing role, and worked with analysts in a portfolio based role. I developed pitches for buy/sell recommendations for their rising dividend based portfolio strategy, and presented them to the team.

OTHER INFORMATION

Computer Skills: Python, SAS, Stata, R, Matlab, LaTeX

REFERENCES

Zhongjin Lu (Chair)
Department of Finance
Terry College of Business
zlu15@uga.edu
+1 (919) 491-1180

Jeffrey Netter
Department of Finance
Terry College of Business
jnetter@uga.edu
+1 (706) 542-4450

John Campbell
Department of Finance
Terry College of Business
johnc@uga.edu
+1 (706) 542-3595