

Osama M. Khawar

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EDUCATION **University of Florida** Aug 2018 - Present
Ph.D., Finance
New York University Abu Dhabi Sep 2014 - May 2018
B.S., Mathematics & Economics (Double Major)

RESEARCH INTERESTS Banking, Financial Intermediation, Textual Analysis, Investments

WORKING PAPERS **[The Long and Short of U.S. Bank Regulations: From the Great Depression to the 2023 Bank Failures](#)** (Job Market Paper)

Presentation(s): University of Florida (Sep 2023)

Exploiting a unique century-long dataset of U.S. bank balance sheets and stock prices, I study how bank regulation impacts financial intermediaries both in the short- and long-run. I begin by constructing a novel Bank Regulation Index from a century of historical newspaper articles. The index identifies cycles, from the Great Depression to the 2023 bank failures, in which crises prompt regulations, instill stability, and set the stage for subsequent deregulations. Short-term analysis of news text, using machine learning methods FinBERT and LDA, reveals that deregulations consistently receive positive media coverage. Bank-level evidence demonstrates that deregulations bolster banks profitability and stock returns. Long-term analysis, however, underscores the essential role of regulations in lowering bank leverage and preventing crises within the banking sector.

The Glass-Steagall Act and Bank Stock Market Speculation *with* Gustavo Cortes (University of Florida) and Marc Weidenmier (Chapman University & NBER)

Presentations (* co-author presentations): Midwest Macroeconomics Meeting*, Rutgers University*, Utah State University (Huntsman)*

The Glass-Steagall Act of 1933 is one of the most influential and controversial pieces of financial regulation in U.S. history. Enforced for 66 years, the legislation was designed to restrict commercial banks from speculating in the stock market. The Act required banks to dissolve security affiliates and cap investment portfolios at 10 percent of liabilities. We test the bank speculation hypothesis by measuring bank risk using hand-collected daily stock prices and balance sheet data. The regulation significantly reduced banks idiosyncratic volatility by one-fourth relative to the median. Banks impacted by the Act improved their stability, as shown by equity ratios and distance-to-default measures. These banks also paid higher dividend yields and extended more bank credit, possibly mitigating the credit crunch of the Great Depression. Our findings demonstrate that the Act reduced risk for commercial banks by limiting their ability to speculate in risky assets.

Partisanship in Mutual Fund Portfolios

Presentations: University of Florida (Feb 2021), FMA (Oct 2021), AFA (Jan 2022, Poster Session)

Partisan bias in fund portfolios is the effect of fund managers political affiliation on portfolio allocation decisions. I study two potential manifestations of this bias: biased expectations where managers become optimistic (pessimistic) when their party comes in (goes out of) the government, and in-group favoritism where managers choose higher holdings of politically aligned firms. I find strong evidence for the biased expectations channel, using recent data that includes the effects of the 2020 Presidential election. However, contrary to past literature, I find no evidence for in-group favoritism. I also document a partisan bias in holdings of stocks exposed to politicized topics (COVID-19 and Brexit). The COVID-19 result does not carry over to earlier pandemics (H1N1, Ebola and Zika).

WORK-IN-PROGRESS **Active-to-Passive Investor Migration** *with* Mark Flannery (University of Florida) and Simon Taipliadis (University of Florida)

Presentation(s): University of Florida (Feb 2023)

This work-in-progress is aimed at exploring the migration of investors from actively managed funds to passive alternatives such as Index Funds and Exchange-Traded Funds.

DISCUSSION(S) Predictability Without Accuracy? Diversity, Consistency, and Earnings Predictability
by Vidhi Chhaochharia, Alok Kumar and Shiyi Zhang
Florida Finance Conference (Oct 2022)

TEACHING
Instructor:
Equity and Capital Markets Fall 2021
Evaluation: 3.6/5, Department Mean: 3.8/5
Teaching Assistant:
Equity and Capital Markets Spring 2021
Capital Structure and Risk Management Fall 2020
Financial Management Spring 2020

RESEARCH EXPERIENCE
University of Florida Aug 2018 - Present
Graduate Research Assistant
Gainesville, Florida
Center for Technology and Economic Development May 2018 - Jul 2018
“Commodity Trade in Developing Economies” (Research Assistant)
Abu Dhabi, U.A.E.
Paris School of Economics May 2017 - Aug 2017
“Who Benefited from European Bailouts” (Research Assistant)
Paris, France
Paris School of Economics Jun 2016 - Aug 2016
“Who Benefited from European Bailouts” (Research Assistant)
Paris, France

PROFESSIONAL EXPERIENCE	Ernst & Young	Jun 2015 - Aug 2015
	Assurance Intern Colombo, Sri Lanka	
	ICICI Bank	Jul 2013 - Aug 2013
	Treasury Intern Colombo, Sri Lanka	
	Habib Bank	Jul 2012 - Aug 2012
	Compliance Intern Colombo, Sri Lanka	
HONORS & AWARDS	International Mathematics Competition for University Students	2015
	Honorable Mention Blagoevgrad, Bulgaria	
	Asian Pacific Mathematics Olympiad	2014
	Honorable Mention	
	International Mathematics Olympiad	2013
	Honorable Mention Santa Marta, Colombia	
REFERENCES	Mark Flannery (Chair)	
	Bank of America Eminent Scholar University of Florida mark.flannery@warrington.ufl.edu Contact: +1 (352) 392-3184	
	Marc Weidenmier	
	Stone Professor of Finance and Economics Chapman University & NBER weidenmi@chapman.edu Contact: +1 (909) 560-4472	
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