

ACADEMIC SEMINAR SERIES

Understanding Corporate Bond Excess Returns



November 6, 2026 (Fri)



SEK210



10:30-12:00



English



Prof SONG Zhaogang

Johns Hopkins University,
Carey Business School

Abstract: This paper provides a comprehensive analysis of excess returns specific to corporate bonds. We construct a measure of excess returns that uses synthetic Treasury securities with identical cash flows as benchmarks, thereby fully removing interest rate effects and isolating the component of returns specific to corporate bonds. Using a monthly sample from 2002 to 2024, we find that corporate-bond-specific excess returns differ significantly from standard, T-bill-based excess returns, both on average and in the cross section. We further examine the effects of a broad set of bond-level characteristics and systematic risk factors on corporate-bond-specific excess returns. In addition, we decompose interest-rate effects into duration and higher-order components. Together, these findings provide a foundational benchmark for future research on corporate bond returns.

Zhaogang Song is a **Professor of Finance** and the **R. Clayton Emory Chair of Real Estate and Infrastructure** at the Carey Business School of Johns Hopkins University. Prior to joining Johns Hopkins, he served as an Economist at the Board of Governors of the Federal Reserve System.

Song conducts academic research on fixed-income markets, financial intermediaries, monetary policy, and real estate finance, financial econometrics, China's financial markets and monetary policy, and FinTech. He has published in the *Journal of Finance*, *Review of Financial Studies*, *Journal of Financial Economics*, *Journal of Monetary Economics*, *Journal of Econometrics*, *Management Science*, *Real Estate Economics*, *China Economic Review*, *Journal of Investment Management*, and *Liberty Street Economics of the Federal Reserve Bank of New York*. He has served as an Academic Expert for the US Commodity Futures Trading Commission (CFTC), consulted with the Dimensional Fund Advisors (DFA) on fixed-income investment, been a visiting scholar at the Federal Reserve Bank of Philadelphia, and served as a scholar of the Thematic Research Programme at the Hong Kong Institute for Monetary and Financial Research.

Song holds a PhD in Economics from Cornell University, as well as a BA in Management Science and Engineering and an MA in Finance, both from Shandong University, China.

ALL ARE WELCOME

