

Sumudu W. Watugala

Indiana University
1309 East Tenth Street
Bloomington, IN 47405
Phone: +1 617 858 6178

Email: sumudu@iu.edu
Web: <https://sites.google.com/site/sumuduwatugala/>
Personal: Married, two children (b. 2017 and 2021)

Academic Appointments

Indiana University, Kelley School of Business
Assistant Professor of Finance, 2022-present

Cornell University, SC Johnson College of Business
Dyson School of Applied Economics and Management
Assistant Professor of Finance, 2015-2022
Bernard F. Stanton Sesquicentennial Faculty Fellow in Finance, 2015-2022

Education

Ph.D. Financial Economics, University of Oxford, 2015
Dissertation: *Essays on Interconnected Markets*

M.Eng. Electrical Engineering and Computer Science, Massachusetts Institute of Technology, 2006

B.S. Computer Science and Engineering, Massachusetts Institute of Technology, 2005

B.S. Management Science (Finance), Massachusetts Institute of Technology, 2005

Affiliations / Professional Appointments

Federal Reserve Bank of San Francisco, CA
Visiting Scholar, 2024

Commodity Futures Trading Commission (CFTC), Washington, DC
Academic Consultant, 2021-present

Chartered Financial Analyst (CFA) Charterholder

Office of Financial Research (OFR), US Department of the Treasury, Washington, DC
Visiting Scholar, 2016-2020.

Citadel Investment Group, L.L.C., Chicago and London, Volatility Trading and Arbitrage Group
Associate / Quantitative Trader, 2006-2009

Research Interests

Primary: Financial economics, financial intermediation, asset pricing, international finance

Secondary: Asset management, climate finance, financial stability, emerging markets, commodities

Publications

Note: In economics and finance journals, the custom is to list authors alphabetically.

1. Pricing Poseidon: Extreme Weather Uncertainty and Firm Return Dynamics, 2025 (with Mathias S. Kruttli and Brigitte Roth Tran), *Journal of Finance*, 80 (2), 783-832.
2. LTCM Redux? Hedge Fund Treasury Trading and Funding Fragility, 2025 (with Mathias S. Kruttli, Phillip J. Monin, and Lubomir Petrasek), *Journal of Financial Economics*, 169, 104017.
3. Banking on Carbon: Corporate Lending and Cap-and-Trade Policy, 2024 (with Ivan T. Ivanov and Mathias S. Kruttli), *Review of Financial Studies*, 37 (5), 1640-1684.
2022 ESSEC-Amundi Best ESG Paper Award, Commodity and Energy Markets Association
4. The Life of the Counterparty: Shock Propagation in Hedge Fund-Prime Broker Credit Networks, 2022 (with Mathias S. Kruttli and Phillip J. Monin), *Journal of Financial Economics*, 146 (3), 965-988.
5. Trade Credit and Cross-Country Predictable Firm Returns, 2015 (with Rui Albuquerque and Tarun Ramadorai), *Journal of Financial Economics*, 115 (3), 592-613.
2012-2013 Inquire Europe Third Prize

Working Papers

6. Financing and the Green Paradox (with Rui Albuquerque, Mathias S. Kruttli, and Yiding Ma).
7. Two Centuries of U.S. Innovation and the Capital Channel: Evidence from Natural Disasters (with Mathias S. Kruttli and Noah Stoffman).
8. Inflation Shock Propagation Along the Supply Chain: The Trade Credit Channel (with Isha Agarwal).
9. The Effects of the Volcker Rule on Corporate Bond Trading: Evidence from the Underwriting Exemption, 2021 (with Meraj Allahrakha, Jill Cetina, and Benjamin Munyan).
10. What Makes Dealers Central? Market Dominance in Credit Interdealer Networks, 2020 (with Benjamin Munyan).
11. Investor Concentration, Flows, and Cash Holdings: Evidence from Hedge Funds, 2019 (with Mathias S. Kruttli and Phillip J. Monin).
2018 Best Paper Award in Investments, Midwest Finance Association

Teaching

Indiana University, Kelley School of Business

Intermediate Investments (F303), Spring 2023, Spring 2024, Spring 2025

Cornell University, Dyson School of Applied Economics and Management

Investments (AEM 4670), Fall 2015-2019, Fall 2020 (Virtual)

2019 Teacher Ratings: 4.7/5 (Mean); 5/5 (Median)

2018 Teacher Ratings: 4.7/5 (Mean); 5/5 (Median)

International Financial Management (AEM 4290), Fall 2015-2016, Fall 2020 (Virtual), Spring 2022

University of Oxford, Saïd Business School & Department of Economics

Corporate Finance II: Teaching Assistant for Professor Thomas Noe, Hilary 2013

Asset Pricing II: Teaching Assistant for Professor Tarun Ramadorai, Hilary 2011-2012

MIT, Electrical Engineering and Computer Science Department, Spring 2006

Structure & Interpretation of Computer Programs (6.001): Teaching Assistant for Prof. Eric Grimson

Selected Grants and Awards

Faculty Research Award, Kelley School of Business, Indiana University, 2024
Faculty Research Award, Kelley School of Business, Indiana University, 2023
Faculty Research Award, Kelley School of Business, Indiana University, 2022
ESSEC-Amundi Best ESG Paper Award, Commodity and Energy Markets Association, 2022
Cornell Atkinson Center for Sustainability RRF Grant, 2020
U.S. Department of the Treasury sponsored research project, 2016-2020
J.P. Morgan Center for Commodities (JPMCC) Research Associate Award, 2019-2020
Best Paper Award in Investments, Midwest Finance Association, 2018
Cornell PCCW Affinito-Stewart Research Grant, 2017
Oxford-Man Institute for Quantitative Finance Student Scholarship, 2009-2015
Inquire Europe Third Prize, Autumn Seminar, 2012-2013
Oxford Clarendon Fund Scholarship, 2009-2012

Professional Service

Referee:

Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Management Science, Review of Finance, Journal of Financial Intermediation, Review of Asset Pricing Studies, Journal of Banking and Finance, Journal of Financial Services Research, Journal of Corporate Finance, Journal of Futures Markets, Journal of Commodity Markets, Energy Journal, Applied Economics Letters, Journal of International Money and Finance, Nature Climate Change

Program Committee:

2018-present Northern Finance Association
2019-present Western Finance Association [2019 *Associate Program Chair*]
2021-present European Finance Association
2022 Financial Management Association
2023-present OFR Rising Scholars Conference
2023-present Holden Conference in Finance and Real Estate
2024-present OU-RFS Climate and Energy Finance Research Conference
2024-present Midwest Finance Association
2024-present Commodity and Energy Markets Association
2025 Johns Hopkins Carey Finance Conference

Session Chair:

†2025 EFA | 2025 AFA | 2025 MFA | 2024 WFA | 2023 Holden Conference

Discussant:

†2025 WFA | 2025 AFA | †2025 SFS Cavalcade | 2025 IMF Macro-Financial Research Conference | 2025 World Symposium on Investments Research | 2025 MFA | 2024 OU-RFS Climate and Energy Finance Research Conference | 2024 Oxford Sustainable Private Markets Conference | 2024 Holden Conference | 2024 MFA (×2) | 2024 IBEFA@ASSA | 2023 Johns Hopkins Carey Finance Conference | 2023 WFA | 2023 FIRS | 2023 OFR Rising Scholars Conference | 2022 SFS Cavalcade | 2022 Paris Hedge Fund Conference | 2022 OFR Climate Implications for Financial Stability Conference | 2022 CEMA | 2021 WFA | 2021 NFA | 2020 EFA | 2020 WSIR | 2020 FMA | 2019 SFS Cavalcade | 2019 JPMCC | 2018 UConn Financial Risk Conference | 2018 Chicago Financial Institutions Conference | 2018 JPMCC | 2017 RFS Climate Finance Workshop | 2015 NFA

Conference Organizer:
2024 19th Early Career Women in Finance Conference (ECWFC)

University/Department Service:
Finance Recruiting Committee, 2022-23, 2023-24, 2024-25

PhD Admissions Committee, 2020-21, 2021-22
MPS Admissions Committee, 2020-21
Seminar Committee, 2015-16, 2018-19, 2021-22
Graduate Studies Committee, 2021-22
Academic Integrity Board, 2021-22
Undergraduate Research Committee, 2017-18, 2018-19

Conference and Seminar Presentations

[†]*Scheduled.* | ^{*}*Presentation by a co-author.*

2025:

[†]Western Finance Association (WFA), Snowbird, UT
[†]European Finance Association (EFA), Paris, France
[†]Conference in Sustainable Finance, Luxembourg
American Finance Association (AFA), (discussion), San Francisco, SF
Midwest Finance Association (MFA), (discussion), Chicago, IL
IMF Annual Macro-Financial Research Conference, (discussion), Washington, DC
[†]World Symposium on Investment Research, (discussion), Washington, DC
[†]Society for Financial Studies (SFS) Cavalcade, (discussion), Hoboken, NJ
[†]Lisbon Sustainability Week Finance Conference, (discussion), Portugal
Colorado State University, Fort Collins, CO
[†]University of New South Wales, Sydney, Australia
[†]University of Sydney, Australia
[†]University of Melbourne, Australia
[†]Monash University, Melbourne, Australia
[†]Deakin University, Melbourne, Australia

2024:

OU-RFS Climate and Energy Finance Research Conference, (discussion), Oklahoma, OK
Oxford Sustainable Private Markets Conference, (discussion), Oxford, UK
Holden Conference in Finance and Real Estate, (discussion), Bloomington, IN
Midwest Finance Association (MFA), (discussion × 2), Chicago, IL
International Banking, Economics and Finance Association @ ASSA, (discussion), San Antonio, TX
^{*}Financial Intermediation Research Society (FIRS) Conference, Berlin, Germany
^{*}European Finance Association, Barcelona, Spain
^{*}McGill Junior Faculty Conference, Quebec, Canada
^{*}Exeter Sustainable Finance Conference, Exeter, UK

2023:

Boston College
University of California, Los Angeles
Johns Hopkins Carey Finance Conference, (discussion), Washington, DC
Western Finance Association (WFA), (discussion), San Francisco, CA
Financial Intermediation Research Society (FIRS) Conference, (discussion), Vancouver, Canada
OFR Rising Scholars Conference on the Future of Financial Stability, (discussion), Washington, DC
Northeastern University Finance Conference, Boston, MA
UH-Dallas Federal Reserve Conference on Energy Finance and the Energy Transition, Houston, TX

Midwest Finance Association (MFA), Chicago, IL
Henley Business School. *Virtual*
*International Monetary Fund (IMF). *Virtual*
*Principals of Responsible Investments (PRI) Research Workshop. *Virtual*

2022:

NBER Summer Institute, Cambridge, MA
MoFiR Workshop on Banking, Lisbon, Portugal
Inquire Europe Autumn Seminar, Marseille, France
Chatham House Conference on the Policy Implications of Climate Economics Research, London, UK
ESG and Policy Research Conference, Clemson University, SC
OFR Climate Implications for Financial Stability Conference, (discussion). *Virtual*
Johns Hopkins University. *Virtual*
University of Zurich. *Virtual*
University of Houston. *Virtual*
University of Oklahoma, OK
Federal Reserve Bank of Dallas, TX
Baylor University, TX
Virtual Seminar on Climate Economics
Federal Reserve-UMD Short-Term Funding Markets Conference. *Virtual*
Commodity & Energy Markets Association (CEMA). *Hybrid*
Paris Hedge Fund and Private Equity Research Conference (HFC). *Virtual*
Bank of England Conference on Sovereign Bond Markets. *Hybrid*
OCC Symposium on Climate Risk in Banking and Finance. *Hybrid*
China International Conference in Finance. *Virtual*
*SITE Conference on the Macroeconomics of Uncertainty and Volatility, Stanford University, CA
*IPC-UNC Spring Research Symposium, Chapel Hill, NC
*Columbia SIPA/BPI Conference on Bank Regulation
*OU Energy and Climate Finance Research Conference, Norman, Oklahoma
*HEC-McGill Winter Finance Workshop, Ischgl, Austria
*Swiss Winter Conference on Financial Intermediation, Lenzerheide, Switzerland
*European Banking Center (EBC) Network Conference, Tilburg University, Netherlands
*Finance Down Under Conference, Melbourne, Australia. *Hybrid*
*European Finance Association, Barcelona, Spain
*Northern Finance Association (NFA), Banff, Canada

2021:

London Business School. *Virtual*
Federal Reserve Bank of Chicago. *Virtual*
Indiana University. *Virtual*
University of Massachusetts, Amherst. *Virtual*
National University of Singapore. *Virtual*
Texas Finance Festival, Austin, TX
*NBER Summer Institute. *Virtual*
*American Finance Association (AFA), Chicago, IL. *Virtual*
*Society for Financial Studies (SFS) Cavalcade. *Virtual*
Western Finance Association (WFA), (discussion). *Virtual*
Cleveland Fed-OFR Financial Stability Conference. *Virtual*
Financial Intermediation Research Society (FIRS) Conference. *Virtual*
CEPR/EBRD/ECB Symposium on Climate Change, Finance, and Green Growth. *Virtual*
AU-FRB-IMF Conference on Uncertainty and Economic Activity: Global Perspectives. *Virtual*
*Fixed Income and Financial Institution (FIFI) Conference, Columbia, SC (×2)
Edinburgh-Shanghai Green Finance Conference. *Virtual*
Northern Finance Association (NFA), (discussion). *Virtual*

Bank of England Workshop on Procyclicality in Market-based Finance. *Virtual*
*UCLA Luskin Center for Innovation Climate Adaptation Research Symposium. *Virtual* (×2)
*IWH-FIN-FIRE Workshop on Challenges to Financial Stability. *Virtual*
*RiskLab/BoF/ESRB Conference on Systemic Risk Analytics. *Virtual*
IV Conference on Financial Stability, Bank of Mexico-Bank of Canada-CEMLA-UZurich. *Virtual*
*Sustainable Finance Forum. *Virtual*
*Midwest Finance Association (MFA). *Virtual*
Australasian Finance and Banking Conference (AFBC). *Virtual*

2020:

NBER Asset Pricing Spring Program Meeting, Chicago, IL. *Virtual*
American Finance Association (AFA), San Diego, CA
European Winter Finance Conference, Megève, France
IPC-UNC Spring Research Symposium, Chapel Hill, NC
European Finance Association (EFA), (discussion). *Virtual*
World Symposium on Investment Research (WSIR), (discussion). *Virtual*
Financial Management Association (FMA), (discussion). *Virtual*
*Federal Reserve Day-Ahead Conference, San Diego, CA
*Northern Finance Association (NFA). *Virtual*
*Federal Reserve System Energy Meeting. *Virtual*

2019:

NBER Summer Institute, Cambridge, MA
Western Finance Association (WFA), Huntington Beach, CA
Early Career Women in Finance Conference (ECWFC), Huntington Beach, CA
European Finance Association (EFA), Lisbon, Portugal
*Luxembourg Asset Management Summit, Luxembourg
*OU Energy and Commodities Finance Research Conference, Norman, Oklahoma
*Northeast Workshop on Energy Policy & Environmental Economics, Harvard Kennedy School
*CEPR-EBRD-EoT-LSE Symposium, London, UK
Society for Financial Studies (SFS) Cavalcade, Pittsburgh, PA (discussion)
*University of Connecticut Finance Conference, Hartford, CT
Financial Intermediation Research Society (FIRS) Conference, Savannah, GA
*Chicago Financial Institutions Conference (CFIC), Chicago, IL
*Federal Reserve Board of Governors, Washington, DC
Financial Innovation & Risk Management Conference in Memory of Peter Christoffersen, Mt Tremblant
*Midwest Finance Association (MFA), Chicago, IL
*National Oceanic and Atmospheric Administration (NOAA), Silver Spring, MD
*Dolomites Winter Finance Conference, Italy
Hedge Fund and Private Equity Research Conference, Paris, France

2018:

Financial Intermediation Research Society (FIRS) Conference, Barcelona, Spain
Chicago Financial Institutions Conference (CFIC), Chicago, IL
LSE Paul Woolley Centre Annual Conference, London, UK
*System Committee on Financial Institutions, Regulations and Markets, Philadelphia, PA
Cambridge University
Vanderbilt University Central Banking and Financial Reform Conference, Nashville, TN
J.P. Morgan Center for Commodities (JPMCC) Symposium, Denver, CO
*Northern Finance Association (NFA), Charlevoix, Quebec
*Federal Reserve Board of Governors, Washington, DC
*China International Conference in Finance (CICF), Tianjin, China
UConn Finance Conference, Hartford, CT (discussion)
*Society for Industrial and Applied Mathematics (SIAM) Annual Meeting, Portland, OR

*Midwest Finance Association (MFA), San Antonio, TX

2017:

RFS Climate Finance Workshop, Columbia University, New York, NY (discussion)

*Finance Theory Group Summer School: Liquidity in Financial Markets & Institutions, St. Louis, MO

*Federal Reserve Board of Governors, Washington, DC

Office of Financial Research, Washington, DC

Paris December Finance Meeting, Paris, France

Finance Management Association (FMA), Boston, MA

Northern Finance Association (NFA), Halifax, Nova Scotia

Prior to 2016:

Office of Financial Research, Washington, DC

Northern Finance Association (NFA) (discussion), Lake Louise, Alberta

Cornell University

Commodity Futures Trading Commission, Washington, DC

LBS Trans-Atlantic Doctoral Conference (TADC), London, UK

*Inquire Europe, Autumn Seminar

*European Finance Association (EFA), Stockholm, Sweden

*McGill Conference on Global Asset Management, Montreal, Canada

*Darden International Finance Conference, Charlottesville, VA

Oxford-Man Institute for Quantitative Finance

Selected Discussions

FI-Financial Intermediation; AP-Asset pricing; CliF-Climate Finance; AM-Asset Management; B-Banking; CF-Corporate Finance, IF-International Finance

Opening the Brown Box: Production Responses to Environmental Regulation by Rebecca De Simone, S. Lakshmi Naaraayanan, Kunal Sachdeva at the 2025 American Finance Association (AFA) Meeting in San Francisco, CA. [CF, CliF]

Brown Capital (Re)Allocation by Olivier Darmouni and Yuqi Zhang at the 2024 Oxford Sustainable Private Markets Conference in Oxford, UK. [CF, CliF]

Pollution-Shifting vs. Downscaling: How Financial Distress Affects the Green Transition by Aymeric Bellon and Yasser Boualam at the 2024 Annual Holden Conference in Finance and Real Estate in Bloomington, IN. [CliF, CF, FI]

Financing Emissions by Dominique C. Badoer and Evan Dudley at the 2024 Midwest Finance Association (MFA) Meeting in Chicago, IL. [FI, AP, CliF]

Blame It on the Weather: Market Implied Weather Volatility and Firm Performance by Joon Woo Bae, Yoontae Jeon, Stephen Szaura, Virgilio Zurita at the 2024 Midwest Finance Association (MFA) Meeting in Chicago, IL. [AP, CliF]

Climate Stress Tests, Bank Lending, and the Transition to the Carbon-Neutral Economy by Larissa Fuchs, Huyen Nguyen, Trang Nguyen, Klaus Schaeck at the 2024 (Fifth) OU-RFS Climate and Energy Finance Research Conference in Oklahoma City, OK. [CF, CliF, B]

Inattention to the Coming Storm? Rising Seas and Sovereign Credit Risk by Atreya Dey at the 2024 IBEFA-ASSA Meetings in San Antonio, TX. [FI, AP, CliF]

The Secular Decline in Interest Rates and the Rise of Shadow Banks by Andrés Sarto (NYU) and Olivier Wang (NYU) at the 2023 OFR Rising Scholars Conference in Washington, DC. [FI, B]

“There is No Planet B”, but for Banks “There are Countries B to Z”: Domestic Climate Policy and Cross-Border Lending by Emanuela Benincasa (SFI and U. Zurich), Gazi Kabaş (Tilburg) and Steven Ongena (SFI and U. Zurich) at the 2023 Western Finance Association (WFA) Meeting in San Francisco, CA. [FI, CliF, B, IF]

Carbon Emissions and Shareholder Value: Causal Evidence from the U.S. Power by Mayank Kumar (U. Michigan) and Amiyatosh Purnanandam (U. Michigan) at the 2023 JHU Carey Finance Conference in Washington, DC. [CliF, CF]

Incomplete Supervisory Cooperation by Thorsten Beck, Consuelo Silva-Buston, Wolf Wagner at the 2023 Financial Intermediation Research Society (FIRS) Meeting in Vancouver, CA. [FI, B, IF]

Factor Demand and Factor Returns by Cameron Peng (LSE) and Chen Wang (Notre Dame) at the 2022 SFS Cavalcade in Chapel Hill, NC. [AP]

Hiding in Plain Sight: The Global Implications of Manager Disclosure by Richard B. Evans (UVA), Pedro Matos (UVA), Miguel A. Ferreira (Nova), and Michael Young (U. Missouri) at the 2022 13th Annual Hedge Fund Research Conference in Paris, France. [FI, AM, IF]

How Does Climate Change Affect Firm Sales? Identifying Supply Effects by Cláudia Custódio (Imperial), Miguel A. Ferreira (Nova), Emilia Garcia-Appendini (U. Zurich), and Adrian Lam (Imperial) at the 2022 OFR Climate Implications for Financial Stability Conference. [CliF, CF]

Natural Disasters and Municipal Bonds by Jun Kyung Auh (Yonsei, SK), Jaewon Choi (UIUC), Tatyana Deryugina (UIUC), and Tim Park (UT-Austin) at the 2022 Commodity and Energy Markets Association (CEMA) Meeting held at UIUC. [AP, CliF]

Treasury Inconvenience Yields during the COVID-19 Crisis by Zhiguo He (Chicago), Stefan Nagel (Chicago), and Zhaogang Song (JHU) at the 2021 Western Finance Association (WFA). [AP, FI, AM, B]

Motivating Banks to Lend? Credit Spillover Effects of the Main Street Lending Program by Camelia Minoiu (FRB), Rebecca Zarutskie (FRB), and Andrei Zlate (FRB) at the 2021 Northern Finance Association (NFA) Meeting. [FI, B]

Income Taxes and Managerial Incentives: Evidence from Hedge Funds by Vikas Agarwal, Gary Chen, Zhen Shi, Bin Wang at the 2020 World Symposium on Investment Research (WSIR). [FI, AM]

Climate Change and Adaptation in Global Supply-Chain Networks by Nora Pankratz (FRB) and Christoph Schiller (ASU) at the 2020 European Finance Association (EFA) Meeting. [FI, CliF, IF]

Revenue Sharing in 401(k) Plans by Veronika K. Pool (Vanderbilt), Clemens Sialm (UT-Austin), and Irina Stefanescu (FRB) at the 2020 Financial Management Association (FMA) Meeting. [FI, AM]

Skin or Skim? Inside Investment and Hedge Fund Performances by Arpit Gupta (NYU) and Kunal Sachdeva (Rice) at the 2019 SFS Cavalcade. [FI, AM]

Prime (Information) Brokerage by Nitish Kumar, Kevin Mullally, Sugata Ray, and Yuehua Tang at the 2018 Chicago Financial Institutions Conference. [FI, AM]

Do Fund Managers Misestimate Climatic Disaster Risk? by Shashwat Alok, Nitin Kumar, and Russ Wermers at the 2017 RFS Climate Finance Workshop. [AP, FI, AM, CliF]