

# Alexia Ventula Veghazy

November 2022

[www.alexiaventulaveghazy.com](http://www.alexiaventulaveghazy.com)

[alexiaventula@gmail.com](mailto:alexiaventula@gmail.com)

+34 616 912596

## Education

---

Goethe University, Frankfurt, GSEFM program, PhD in Economics <i>Expected completion: June 2023</i>	2017 - current
Stanford University, Visiting PhD Student	2021 - 2022
University of Zurich, Visiting PhD Student	2020 - 2021
Barcelona Graduate School of Economics, MSc in Specialized Economic Analysis	2013 - 2014
Universitat Pompeu Fabra, BSc in Law	2009 - 2013
Universitat Pompeu Fabra, BSc in Economics	2007 - 2011

## References

---

Professor Ester Faia  
Goethe University, Frankfurt  
[faia@wiwi.uni-frankfurt.de](mailto:faia@wiwi.uni-frankfurt.de)

Professor Steven Ongena  
University of Zurich  
[steven.ongena@bf.uzh.ch](mailto:steven.ongena@bf.uzh.ch)

Professor Juliana Salomao  
University of Minnesota  
[jsalomao@umn.edu](mailto:jsalomao@umn.edu)

Tobias Linzert, PhD, Advisor  
European Central Bank  
[Tobias.Linzert@ecb.europa.eu](mailto:Tobias.Linzert@ecb.europa.eu)

## Research Interests

---

Primary: Monetary Policy, International Finance  
Secondary: Macro-finance, Financial Economics

## Job Market Paper

---

### [Fragmentation in Euro Area Banks' Sovereign Bond Portfolios and Its Impact on International Pricing](#)

Leveraging on a confidential dataset of euro area banks' portfolio holdings of government securities, I study the determinants of the deviations from covered interest rate parity (CIP), i.e., hedged euro-dollar yield differentials. First, I document stark fragmentation in banks' holdings across different euro area countries. This suggests that country's convenience yield and the characteristics of the banks holding the government bonds matter. Motivated by those facts, I estimate hedged euro-dollar yield differentials for euro area banks and find sizable and heterogeneous CIP deviations, despite their common currency. Decomposing the CIP into a risk-free interest rate differential and a convenience yield differential across currencies shows a convenience for holding dollars, albeit it differs across euro area regions. In a second stage, I link the CIP deviations to three factors: the cumulative asset purchases of government bonds from the ECB asset purchase programmes, bank home bias and regulatory constraints. The last two significantly explain the deviations from arbitrage, confirming the role of fragmented banking systems in affecting the transmission mechanism of a common monetary policy and providing supporting evidence for the emerging theoretical literature linking CIP and banks' balance sheets.

## Working Papers

---

Faia, E., J. Salomao. and A. Ventula Veghazy (2022). [Granular Investors and International Bond Prices: Scarcity-Induced Safety](#). CEPR Discussion Paper No. 17454.

With a unique dataset of euro area corporate bonds we study the role of large heterogeneous investors' demand on currency pricing. We document that while insurance and pension funds exhibit strong

preferences for holding assets issued by local firms and denominated in home currency; mutual funds do not. Motivated by this segmentation, we estimate the impact of investor demand on euro-dollar return differentials (hedged and unhedged) for given security and issuer. These differentials decline as ECB asset purchases induce a drain in euro securities. A dynamic portfolio optimization model of bonds in different currencies, where heterogeneous risk-attitudes lead to UIP deviations and regulation to CIP ones, accounts for the facts.

Bechtel, A., J. Eisenschmidt, A. Ranaldo and A. Ventula Veghazy (2021). [Quantitative Easing and the Safe Asset Illusion](#). *Working Papers on Finance No. 2021/10, University of St. Gallen*

The massive recourse to quantitative easing (QE) calls for a better understanding of its effects on safe assets. Based on a simple balance sheet framework, we show how QE impacts the total amount, cross-sectional distribution, and composition of safe assets in the economy. Analyzing the ECB's Public Sector Purchase Programme (PSPP), we find that the amount of universally accessible safe assets decreases and there is a transfer of safe assets from the non-bank to the banking sector. We call this phenomenon the safe asset illusion. The sectoral shift in the holding structure of safe assets has important implications for financial stability and the cost of secured liquidity.

Moreno, A., S. Ongena, A. Ventula Veghazy and A. Wagner (2021). [“Long GFC”? The Global Financial Crisis, health care, and COVID-19 deaths](#). *CEPR Discussion Paper 15900*.

Do financial crises affect long-term public health? To answer this question, we study the connection between the 2007-2009 Global Financial Crisis (GFC) and the 2020-2022 pandemic. Specifically, we examine the relation between macroeconomic and financial losses derived from the GFC, and the health outcomes associated with the first wave of the pandemic. At the European level, countries more affected by the financial crisis had more deaths relative to coronavirus cases. An analogous relation emerges across Spanish provinces and US states. Part of the transmission from finance to health outcomes appears to have occurred through cross-sectional differences in health care facilities.

Kedan, D. and A. Ventula Veghazy (2021). [The implications of liquidity regulation for monetary policy implementation and the central bank balance sheet size: an empirical analysis of the euro area](#). *ECB Working Paper Series 2021/2515*.

We analyse the impact of the Liquidity Coverage Ratio (LCR) on the demand for central bank reserves in the euro area with difference-in-differences estimation techniques. Using a novel dataset and an identification strategy that exploits the cross-country heterogeneity in the regulatory treatment of reserves for LCR purposes prior to the announcement of a harmonised euro area standard as a quasinatural experiment, we find evidence that points to LCR-induced demand for reserves. Specifically, our results suggest that banks with low LCRs relative to peers increased their central bank reserve holdings as a result of the LCR regulation. Our findings have economically meaningful implications for the operational framework of monetary policy and imply that the Eurosystem's balance sheet may need to remain larger than it was prior to the financial crisis and the associated introduction of new liquidity regulation.

[Central bank digital currency and bank intermediation \(2022\)](#). *ECB Occasional Paper Series No 286*.

---

## Publications

Moreno, A., S. Ongena, A. Ventula Veghazy and A. Wagner (2021). The Global Financial Crisis and the COVID-19 Pandemic. *In: A New World Post COVID-19: Lessons for Business, the Finance Industry and Policy Makers, Fondazione Università Ca' Foscari, Venice, p. 23-34, Published: 2020*

---

## Work Experience

Economist, DG-MP Monetary Policy Strategy, <b>European Central Bank</b>	Sep 2022 - Current
Research Analyst, DG-MP Monetary Policy Strategy, <b>European Central Bank</b>	Feb 2016 - Sep 2021

Financial Analyst, DG-MS4 Strategic Risk Analysis, <i>Single Supervisory Mechanism</i>	Sep 2015 - Feb 2016
Research Analyst, European Systemic Risk Board, <i>European Central Bank</i>	Apr 2014 - Sep 2015
Graduate trainee, European Systemic Risk Board, <i>European Central Bank</i>	Jul 2014 - Apr 2015
Intern, <i>AW International business consulting</i>	Nov 2011- Jun 2012

## Scholarships & Honors

---

Princeton Initiative 2020	2020
Partial waiver for academic merits, Barcelona Graduate School of Economics	2013-2014

## Conferences

---

SED 2022, Society for Economic Dynamics, Wisconsin-Madison <i>Presented: Granular Investors and International Bond Prices: Scarcity-Induced Safety</i>	2022
Inaugural FRB – NY Fed Conference on the “International Roles of the U.S. Dollar” <i>Presented: Granular Investors and International Bond Prices: Scarcity-Induced Safety</i>	2022
The fourth annual CBBH research conference, Central Bank of Bosnia and Herzegovina <i>Presented: The Implications of Liquidity Regulation for Monetary Policy Implementation and the Central Bank Balance Sheet Size: An Empirical Analysis of the Euro Area</i>	2021
"Digitale Werte", Philipps-Universität Marburg <i>Presented: Central Bank Digital Currency</i>	2020

## Professional activities

---

Refereeing: International Journal of Central Banking

## Personal Skills

---

STATA, Matlab, Python, SQL, LaTeX,  
Spanish (native), German (native), English (fluent), Italian (intermediate), French (beginner)