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References

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Research

Interests: Market power in financial markets; Financial intermediation; Endogenous market power; Macroeconomics

Markups, Markdowns and Bankruptcies in the Banking Industry (Job Market Paper)
What is the relationship between market power and bankruptcy in the banking industry? I revisit this question by developing a new structural approach for the joint estimation of markups on lending rates and markdowns on deposit rates for all US depository institutions between 1992 and 2019. Markups (markdowns) are wedges between the observed price for the output (input) good and the price that would realize if the bank was a price taker on that market. Markups have been trending downwards over time, while markdowns have been increasing after the Great Recession and decreasing as recovery began. Bigger banks tend to exert more market power on lending markets, while smaller banks exert more power on deposit markets. However, markdowns play a larger role in the profitability of banks relative to markups. I show that Herfindahl-Hirschman Indices are positively correlated with markdowns on deposit rates, but negatively with markups on lending rates. The Boone indicator barely correlates with either markups or markdowns. I show that higher markups are associated with a lower bankruptcy probability. Instead, markdowns correlate positively with default probabilities. When considered jointly, markups and markdowns both correlate negatively with the probability of bankruptcy. These results show that the sources of market power are important in addressing this old question in the literature.

The Drivers of EU Unemployment During the Great Recession
with Diego Comin, Riccardo Franceschin and Antonella Trigari
We seek to explain the differences in the time series of unemployment we observe across Germany, France, Spain and Italy. We write a standard Diamond-Mortensen-Pissarides (DMP) labor market model with search and matching frictions and we use it to assess differences in labor markets across Germany, France, Spain and Italy. We simulate the model feeding in exogenous shocks to aggregate productivity and to the discount factor. We obtain three main results. We first confirm the finding in Hall (2017) that financial returns are correlated to unemployment with European data, possibly more than labor productivity. Second, we find that discount factors are a promising source of variation to explain fluctuations in unemployment. Finally, we observe that the extent to which the DMP model explains the four countries' variations of unemployment depends on labor market institutions, as captured by the calibration, and on the degree of wage rigidity. However, the timing of fluctuations of unemployment is different across countries. This cannot be explained by different discounts, as they happen to be somewhat contemporaneous across countries.

European Unemployment and Dual Labor Markets
with Diego Comin, Riccardo Franceschin and Antonella Trigari
Work in progress.

Publications

An Entropy-Based Early Warning Indicator for Systemic Risk
with Monica Billio, Roberto Casarin and Michele Costola
2016—Journal of International Financial Markets, Institutions and Money (DOI: 10.1016/j.intfin.2016.05.008)
We analyze the time evolution of systemic risk in Europe by using different entropy measures and construct a new early warning indicator for banking crises. The analysis is based on the cross-sectional distribution of systemic risk measures such as Marginal Expected Shortfall, Delta CoVaR and network connectedness. These measures are conceived at a single institution level for the financial industry in the Euro area and capture different features of the financial market during periods of stress. The empirical analysis shows the forecasting ability of entropy measures in predicting banking crises.

Teaching

Teaching assistantships (delivery of exercise classes, grading, student office hours)

Course name	Level	Period	Main instructor
Macroeconomics 3	Ph.D.	Spring 2017–2021	Marco Maffezzoli
Macroeconomics 4	Ph.D.	Spring 2017–2021	Tommaso Monacelli, Josef Sigurdsson (2020)
Introductory Microeconomics	B.Sc.	Fall 2019–2020	Marco Maffezzoli
Financial Markets and Institutions	B.Sc.	Fall 2020	Nicola Limodio
Economic Policy	B.Sc.	Fall 2017	Tommaso Monacelli
Monetary Economics	B.Sc.	Fall 2016	Luigi Iovino
Introductory Macroeconomics	B.Sc.	Spring 2017	Marco Maffezzoli

Tutorships (grading, student office hours)

Course name	Level	Period	Main instructor
Economic Policy	B.Sc.	Fall 2016	Tommaso Monacelli
Macroeconometrics	M.Sc.	Fall 2017	Luca Sala

Awards

Scholarship for most promising Bocconi Ph.D. Candidates   *Sept. 2019–Feb. 2021*
Fondazione Romeo ed Enrica Invernizzi

Fully funded Ph.D. Scholarship   *Sept. 2015–Aug. 2019*
Bocconi University

Guido Cazzavillan Award for Best Master's Thesis in Economics   *May 2016*
Ca' Foscari University

Education

Ph.D. in Economics and Finance   *Sept. 2015–Jan. 2021*
Bocconi University, Milan, Italy
Advisor: Basile Grassi

M.Sc. in Economics   *Sept. 2012–Oct. 2014*
Ca' Foscari University, Venice, Italy
Advisor: Roberto Casarin, *110 cum laude*

B.Sc. in Economics and Business   *Sept. 2009–July 2012*
Ca' Foscari University, Venice, Italy
Advisor: Annamaria Sorato, *108/110*

Computer skills

LaTeX	Advanced	R—Tidyverse	Advanced
Python—Numpy	Proficient	R—PlotLy	Beginner
Python—Scipy	Proficient	Matlab	Advanced
Python—Pandas	Proficient	Stata	Advanced
Python—Matplotlib	Proficient	Linux	Advanced
Python—Seaborn	Intermediate	Windows	Proficient
Python—Numba	Intermediate	WSL	Advanced
Python—Jupyterlab	Proficient	C++, CUDA	Beginner

Languages

Language	Level
Italian	Mothertongue
English	Proficient
French	Beginner