

Placement Director:
Placement Administrator:

Professor Alessandro Pavan
Alison Stoute

847-491-8266
847-491-5694

alepavan@northwestern.edu
econjobmarket@northwestern.edu

Contact Information

Department of Economics
Northwestern University
2211 Campus Drive
Evanston, IL 60208

Mobile: 224-435-7764
yunustopbas2020@u.northwestern.edu
www.sites.northwestern.edu/yta456/
Citizenship: Turkey

Fields

Primary: Financial Economics, Empirical Market Microstructure
Secondary: Industrial Organization

Education

Ph.D., Economics, Northwestern University, 2022 (Anticipated)
Dissertation: Essays in Stock Markets
Committee: Alessandro Pavan (chair), Robert Korajczyk, Paola Sapienza
M.Sc., (valedictorian), Finance and Economics (Research), London School of Economics, 2020
M.A., Economics, Northwestern University, 2017
M.A., (summa cum laude), Economics, Bogazici University, 2016
B.A., (valedictorian), Management, Bogazici University, 2014
B.A., (valedictorian), Economics, Bogazici University, 2014

Fellowships & Awards

Dissertation Fellowship, Northwestern University, 2021 - 2022
1st Prize, Antoine Faure-Grimaud Prize for Outstanding Performance, London School of Economics, 2020
Distinguished Teaching Assistant Award, Northwestern University, 2019
University Fellowship, Northwestern University, 2016 - 2017
TUBITAK 2210/A National MSc/MA Scholarship, Bogazici University, 2014 - 2016
Lord Dahrendorf Scholarship, Full Tuition and Stipend, London School of Economics, 2014 - 2015
1st Prize, Department of Management & Economics, Bogazici University, 2014
Alper Orhon Econometrics Award, Department of Economics, Bogazici University, 2014
Best Distinguished Double-Major Student, Department of Management, Bogazici University, 2014

Teaching Experience

Teaching Assistant, Northwestern University, 2017 - 2021
graduate: Microeconomics II (x3)
MBA: Microeconomic Analysis (x11) (leading TA-x2), Game Theory and Strategic Decisions (x4), Business Analytics II (x2), Finance I
undergraduate: Growth and Development, Introduction to Microeconomics (x2), Microeconomics I (x2), Microeconomics II, Behavioral Economics, Pricing Strategies
Teaching Assistant, Bogazici University, 2010 - 2016
graduate: Microeconomics I
undergraduate: Public Finance, Advanced Macroeconomics (x2), Money, Banking and Financial Institutions (x2), Intermediate Microeconomics, Game Theory, Intermediate Macroeconomics (x2)

Research Experience

Research Assistant, Center for Economic Theory, Northwestern University, 2019
Research Assistant, Prof. Phillip Braun, Northwestern University, 2017
Research Assistant, Center for Economic Design, Bogazici University, 2016
Research Assistant, Prof. Burak Saltoglu, Bogazici University, 2012 - 2016

Refereeing

American Economic Review

Job Market Paper

“Earnings Guidance and Price Informativeness: The Role of Media”

This paper investigates how the contrasting trends in media coverage and earnings guidance over the past two decades have affected stock price informativeness. I develop a model to understand what trade-offs investors face when acquiring information through the media and how earnings guidance changes those trade-offs. In the model, the effects of media coverage and earnings guidance on price informativeness are ambiguous. To resolve this ambiguity, I empirically test which predictions of the model are supported by the data. I show that, contrary to the common belief, high media coverage can cause lower price informativeness. Motivated by the model, I propose a new empirical measure of media coverage, which better gauges informational contents of news. I also find that the impact of earnings guidance on price informativeness depends on media coverage. Earnings guidance improves price informativeness only at high levels of media coverage.

Other papers

“Asset Complementarity, Coordination and Transparency of Information” *with Unal Zenginobuz*

We document that part of the theoretical results favoring full transparency is due to a missing channel: complementarities between assets. We question the role and effectiveness of public information as a coordination device in a setting where complementarities exist within an asset (intra-asset complementarity) and between assets (inter-asset complementarity). The introduction of inter-asset complementarity increases strategic uncertainty and makes the coordinating role of public information more prominent. The results indicate that more transparency is not always optimal from a social perspective. Full transparency is optimal if agents have access to relatively more precise private information and complementarities are sufficiently low. More transparency otherwise reduces social welfare as the gain from better intra-asset coordination is outweighed by the loss resulting from lesser inter-asset coordination. The non-monotonic impact of transparency on social welfare remains valid with more than two assets as long as sufficient number of assets are strategic complements with each other in an intra- and inter-related manner and those complementarities are sufficiently high.

“Currency Crises and Informational Gaps”

In this paper, I construct a trading game between a central monetary authority and investors to explore how informational gaps between investors affect currency crises. In my framework, there are two groups of investors: sophisticated and unsophisticated. The former receives more accurate information about the underlying economic fundamentals. Investors first trade domestic currencies on the forward exchange market based on their private information. After observing forward prices, they decide whether or not to attack the currency. In equilibrium, unsophisticated investors put too little weight on their private information, relative to a benevolent social planner, if the informational gap between the two group of investors is sufficiently large. This process in turn could trigger a currency crisis that is not related to economic fundamentals. In this case, a central monetary authority might choose to create more volatility in the forward exchange market to prevent currency crises resulting from non-fundamentals.

“Dark Pools and Market Quality: Trade vs Operational Transparency ” *with Mao Ye (work-in-progress)*

In an effort to increase market transparency and enhance investor confidence in the equity market, three crucial changes were made in the regulations of dark pools (DPs) and non-ATS broker-dealers (BDs) in recent years. Starting from May 2014, as per FINRA Rule 4552, DPs are required to report their volume and trade information to FINRA on a weekly basis. A similar regulation was adopted for BDs in April 2016. In February 2019, new Form ATS-N was adopted, which requires DPs to publicly disclose information about the details of their manner of operations and their relations with the broker-dealers that operate them. We investigate (i) the impacts of these regulation changes on the market quality of DPs and BDs, and (ii) whether post-trade transparency (Rule 4552) and operational transparency (Form ATS-N) have different impacts on market quality. We find that improved post-trade transparency increases effective spread and price impact, and reduces realized spread. Improved operational transparency has the opposite effect: it reduces effective spread and price impact, and

increases realized spread. Our results have important policy implications. Post-trade transparency might harm market quality and hence recent regulatory attempts trying to improve it in DPs could be worth reconsidering. In contrast, operational transparency might improve market quality and therefore more regulatory efforts could be exerted in this direction as still very little is known about how DPs actually operate.

“Off-Exchange Trading and Stock Price Informativeness” (work-in-progress)

SEC Chairman Gary Gensler recently renewed his criticism of off-exchange venues’ growing market shares in the US equity market. This paper studies the impacts on price informativeness of two particular types of off-exchange venues: dark pools and wholesale market makers (e.g., Virtu, Citadel). I show that dark pools that allow non-block trading improve price informativeness. It suggests that these dark pools attract informed traders. To support this idea, I break down the pools according to their subscribers and show that the pools accepting ‘principal trading firms’ to their platforms contribute more to price informativeness. However, unlike dark pools, trading in wholesale market makers adversely affects price informativeness. It might be because higher retail trading activity in these platforms through Payment for Order Flow could deteriorate informativeness of prices. To provide further evidence, I use the outbreak of COVID-19 as an exogenous increase in retail trading activity in wholesalers and show that they affect price informativeness more negatively in the post-COVID period. The results are preliminary and thus should be interpreted carefully. With that being said, they emphasize two important points. First, trading platforms not acting as principals could also contribute to price discovery. Second, concentration of retail trading in a few platforms might harm informational content of prices even if Payment for Order Flow was not harmful per se.

Languages English (fluent), Turkish (native)

Programming Stata, Matlab, R, Python

References	<p>Professor Alessandro Pavan Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8266 alepavan@northwestern.edu</p> <p>Professor Paola Sapienza Kellogg School of Management Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.7436 paola-sapienza@kellogg.northwestern.edu</p>	<p>Professor Robert Korajczyk Kellogg School of Management Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8336 r-korajczyk@kellogg.northwestern.edu</p> <p>Professor Eric Schulz (Teaching Reference) Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8204 eschulz@northwestern.edu</p>
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