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UNIVERSITY COLLEGE LONDON

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CONTACT DETAILS

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EDUCATION

2015–present	PhD Candidate, Department of Economics, University College London. Advisors: Marco Bassetto (primary) and Wei Cui. Thesis: “Essays on Macroeconomics and Sovereign Default.” Expected completion date: June 2020
2014–2015	MRes in Economics, University College London. Distinction.
2009–2011	MSc in Economics, Bocconi University, Milan (Italy). Distinction.
2006–2009	BSc in Finance, Bocconi University, Milan (Italy). Distinction.

REFERENCES

Marco Bassetto (Primary Advisor)
Research Division
Federal Reserve Bank of Minneapolis
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RESEARCH FIELDS

Primary: Macroeconomics, International Finance.
Secondary: Information Economics.

RESEARCH PAPERS

[Inflation, Default Risk and Nominal Debt](#), February 2020

(Job Market Paper)

This paper explores the trade-off between strategic inflation and default for a set of large emerging market economies that borrow mostly in their local currency. Using over-the-counter derivatives data, I find a robust, positive correlation between default risk, inflation risk, and realised inflation. I use these facts to discipline a quantitative sovereign default model where a government issues debt in domestic currency and lacks commitment to both fiscal and monetary policy. I show that simple models of debt dilution via default and inflation have counterfactual implications, as default and inflation are substitutes and co-move negatively. I highlight the role that monetary financing plays to match the data, allowing inflation to serve a second purpose: in bad times, seignorage is especially useful as a flexible source of funding when other margins may be hard to adjust. The model matches the positive correlation between inflation and default risk, and allows to quantitatively evaluate its implication for the trade-off between the insurance benefits of nominal debt and the ex-ante cost of a further source of time inconsistency.

[Is Inflation Default? The Role of Information in Debt Crises](#) (with Marco Bassetto)

American Economic Review, 2019, 109(10):3556-84

We study the information sensitivity of government debt denominated in domestic vs. foreign currency: the former is subject to inflation risk and the latter to default. Default only affects sophisticated bond traders, whereas inflation concerns a larger and less informed group. Within a two-period Bayesian trading game, differential information manifests itself in the secondary market, and we display conditions under which debt prices are more resilient to bad news even in the primary market, where only sophisticated players operate. Our results can explain debt prices across countries following the 2008 financial crisis, and also provide a theory of “original sin.”

[Self-Fulfilling Debt Crises, Fiscal Policy and Investment](#), February 2019

revise and resubmit, Journal of International Economics

This paper studies the circular relationship between sovereign credit risk, government fiscal and debt policy, and output. I consider a sovereign default model with fiscal policy and private capital accumulation. I show that, when fiscal policy responds to borrowing conditions in the sovereign debt market, multiple equilibria exist where the expectations of lenders are self-fulfilling. In the bad equilibrium, pessimistic beliefs make sovereign debt costly. The government substitutes borrowing with taxation, which depresses private investment and future output, increases default probabilities and verifies lenders’ beliefs. This result is reminiscent of the European debt crisis of 2010-12: while recessionary, fiscal austerity may be the government best response to excessive borrowing costs during a confidence crisis.

TEACHING EXPERIENCE

2015–present	Macroeconomics (MSc), UCL, TA for Vincent Sterk.
2016-2017	Macroeconomic (1st year PhD), UCL, TA for Wei Cui and Victor Ríos Rull.
2019	Topics in Money and Finance (MSc), UCL, TA for Antonio Guarino.

PREVIOUS EMPLOYMENT

2018–present	Research Assistant to Dr. Wei Cui.
2017	Research Assistant to Prof. Vincent Sterk.
2012–2014	Analyst Trader, Inflation Trading Desk, Goldman Sachs International, London.
2011	Summer Intern, Securities Division, Goldman Sachs International, London.

CONFERENCE & SEMINAR PRESENTATIONS

2020	Banco de España; Einaudi Institute for Economics and Finance; Universidad Carlos III de Madrid; Sciences Po; Banque de France; University of Bologna; University of Cambridge.
2019	ECB PhD Candidates Workshop; Econometric Society European Winter Meeting; Universidad Carlos III de Madrid (ENTER Seminar); Salento Macro Meetings (discussant).
2018	Universitat Autònoma Barcelona (ENTER Seminar); Economics and Finance PhD Student Workshop, Queen Mary University of London; Salento Macro Meetings (discussant).
2017	Federal Reserve Bank of Chicago; ADEMU Summer School, Toulouse; NBER Summer Institute MEFM; Econometric Society Summer Meeting, Lisbon; Doctoral Workshop on Quantitative Dynamic Economics, Madrid.

SCHOLARSHIPS AND AWARDS

2015–2018	Economic and Social Research Council (ESRC) studentship, UCL.
2009–2011	MSc Graduate Merit Award Scholarship, Bocconi University.
2019	Best Teaching Assistant Award, Teaching on a MSc core module, UCL.

REFEREEING ACTIVITY

Review of Economic Dynamics, Journal of Economic Theory, Economic Journal, Journal of the European Economic Association.

LANGUAGES

Italian (native), English (fluent), Spanish (basic), Portuguese (basic).

PERSONAL

Born in Padova, Italy on June 6th, 1987. Italian Citizen, UK Permanent Resident.