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UNIVERSITY OF PENNSYLVANIA

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Ronald O. Perelman Center for Political Science and Economics
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Pre-doctoral Studies

MRes in Economics, Universitat Pompeu Fabra, 2019
M.Sc. in Economics and Finance, Barcelona School of Economics, 2018
Exchange student, Australian National University, Winter–Spring 2017
B.Sc. in International Economics and Finance, Bocconi University, 2014–2017

Doctoral Studies

University of Pennsylvania, 2020 to present
Thesis Title: "*Essays in Macro-Finance*"
Expected Completion Date: June 2026

Thesis Committee and References:

Alessandro Dovis (chair)
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3620 Locust Walk
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William F. Diamond
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Madison, WI 53715
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Research Fields

Macroeconomics, Financial Economics, International Finance

Job Market Paper

Bailout Expectations, Default Risk and the Dynamics of Bank Credit Spreads,

Abstract: This paper accounts for the role of bailout expectations in shaping the dynamics of banks' credit spreads. I consider a dynamic model of financial intermediation with bank default and time-varying bailout probabilities. In this environment, banks' credit spreads are driven by both fundamental risk and bailout expectations. These two forces have contrasting implications for the joint comovement of credit spreads and default probabilities. Tracking their evolution allows me to indirectly infer the relative importance of fundamentals and bailout expectations. Fitting the model to U.S. data, I find that 28 basis points of the 34-basis-point rise in credit spreads after 2010 are due to lower perceived bailout probabilities, with the remainder reflecting weaker fundamentals, partly offset by tighter capital requirements. Finally, I use this decomposition to assess the implications of lower bailout expectations and tighter regulation on banks' risk-taking incentives.

Working Papers

The Foreign Liability Channel of Bank Capital Requirements, with P. Herrero, C. Mendicino, and D. Supra. Revise and Resubmit, *Journal of Financial Economics*.

Abstract: We examine the effects of tighter capital requirements in a quantitative model of risky financial intermediaries partly funded with foreign currency debt. Setting bank capital requirements at appropriately high levels is crucial to enhance the resilience of banks against sudden losses and the risk of insolvency. As bank default risk declines, the cost of foreign funding decreases, encouraging greater reliance on foreign liabilities. This reveals a novel trade-off in bank capital regulation. On the one hand, higher capital requirements strengthen the resilience of both banks and the broader economy against shocks originating from the banking sector. On the other hand, they increase banks' exposure to potential disruptions in foreign funding. Our findings suggest that in the presence of bank solvency risk, foreign prudential tools, such as capital flow management taxes or foreign exchange rate interventions, are complementary to bank capital requirements in mitigating financial vulnerabilities. Empirical evidence on Peru's transition to higher capital requirements lend support to the foreign liability channel of bank capital requirements.

Monetary Policy and the Maturity Structure of Corporate Debt, with A. Fabiani and J. Heineken. Revise and Resubmit, *Review of Finance*.

Abstract: We show that lower monetary policy rates lengthen the maturity structure of corporate debt. A 1 standard deviation policy rate cut raises the share of long-term debt - i.e., with maturity above 1 year - by 87 basis points, explaining 20% of its variation. In the cross-section, large and bond-issuing firms drive the adjustment. We propose a theory rationalizing these findings. Lower policy rates increase long-term bond demand due to reach-for-yield. Financial frictions allow large firms only to benefit by refinancing at lower yield. Empirical evidence on corporate bond issuance and holdings by insurers and mutual funds supports this mechanism.

Collateralized Loan Obligations as Fire-Sale Insulation, with W. Diamond and C. Xu.

Abstract: We develop a model where CLOs are the optimal financial structure for securitizing assets that trade in illiquid markets. CLOs hold portfolios of risky loans, sell their lowest quality loans in a crisis, and finance themselves with safe, long-maturity debt. CLOs can become temporarily insolvent without triggering a crisis due to their long-term financing. Banks that invest in CLOs' safe debt are insulated from loan fire sales that would

trigger a run if banks held loans directly. Introducing CLOs to a bank-only financial system improves welfare and financial stability, but macroprudential regulation should also constrain the leverage chosen by CLOs.

Equilibrium Entry in Over-the-Counter and Centralized Markets, with A. Maselli and C. Xu.

This paper studies the determinants of entry in centralized versus decentralized over-the-counter (OTC) secondary markets. We develop a model of asymmetric information in the lending market in which borrowers have access to two costly signals. Creditworthy borrowers signal their type by liquidating non-pledgeable assets in a centralized market or exchanging them for collateralizable assets in an OTC market. Equilibrium prices and haircuts determine signaling costs endogenously. In the optimal separating contract, the cheapest market in terms of signaling costs is accessed. We establish conditions for existence of equilibria in which different markets are accessed - CM-only, OTC-only, and dual-market - and rank them by the utility they provide to borrowers. We show that OTC-only equilibria offer the highest utility, followed by dual-market and CM-only equilibria.

Work in Progress

Entwined Risks: Sovereign Default, Bank Failures and Economic Activity, with A. Hannon, C. Mendicino, and E. Mendoza.

Bank Capital Regulation in a Monetary Union, with C. Mendicino, K. Nikolov, and D. Supera.

The Solvency-Run Risk Paradox, with P. Herrero, C. Mendicino, and D. Supera.

Conferences and Seminars

2026: AFA, AFA PhD Poster Session

2025: AEA Poster Session, UPenn, 25th Macro Finance Workshop PhD Poster Session, Boston College 1st PhD Conference in Economics, JCF Information Contracts and Firms Conference, USC Marshall 11th PhD Conference in Finance, Federal Reserve Board

2024: UPenn, CEA, MFR Program Summer Session (Poster), Federal Reserve Bank of Philadelphia, Summer Workshop on Money, Banking, Payments and Finance (Poster), FDIC Bank Research Conference (Poster), 19th EGSC, Università di Napoli Federico II

2023: Midwest Macro Meetings, CEA, Econometric Society NASM, Asian Meeting of the Econometric Society, EcoMod, EEA-ESEM, 5th Biennial Conference on Financial Stability

2022: World Finance & Banking Symposium

Discussions

2023: The Dollar, Fiscal Cyclicalities and the US Safety Puzzle, S.Y. Kim (Asian Meeting of the Econometric Society); The Zombie Lending Channel of Monetary Policy, B. Albuquerque & C. Mao (5th Biennial Conference on Financial Stability).

Teaching Experience

TA, ECON-0200 Introduction to Macroeconomics (UG), UPenn, Prof. Luca Bossi, Spring 2024

TA, ECON-4230 Macro Modelling (UG), UPenn, Prof. Alessandro Dovis, Fall 2023

TA, ECON-704 Macroeconomic Theory II (PhD), UPenn, Profs. Jeremy Greenwood & José-Víctor Ríos Rull, Spring 2022

TA, ECON-102 Intermediate Macroeconomics (UG), UPenn, Prof. Dirk Krueger, Fall 2021

TA, Sovereign Debt and International Financial Markets (Grad), BSE, Prof. Fernando Broner, Spring 2019

Research Experience and Other Employment

RA for Professor Enrique G. Mendoza (UPenn), September 2025 - May 2026

Graduate Dissertation Fellow, Federal Reserve Board, May - July 2025

RA for Prof. W. Diamond (Wharton), September 2024 - May 2025

Consultant at ECB, DGR - Financial Research Division, June 2022 - June 2023

RA for Professors G. Ordonez and H. Cole (UPenn), January 2023 - May 2023

RA for Professor Alessandro Dovis (UPenn), September 2022 - December 2022

Student RA at ECB, DGR - Monetary Policy Research Division, August 2019 - July 2020

RA for Prof. Luca Fornaro (CREI-UPF), December 2018 - March 2019

Intern at OECD, Data and Statistics Directorate, Summer 2018

Intern at Italian Treasury, Economic and Financial Analysis Directorate, Summer 2017

Research Project "On field" at IGIER-Bocconi University (with Prof. Carlo Favero), Summer 2016

Additional Coursework

MFR Program Summer Session for Young Scholars, University of Chicago, August 2024

Princeton Initiative: Macro, Money and Finance Conference, Princeton University, September 2022

€ABCN Training School - Financial Intermediation and Monetary Policy, April 2022

Sovereign Debt Crises and Computational Methods, Nova SBE, July 2021

Awards, Grants and Scholarships

AFA PhD Student Travel Grant, 2026

EFA PhD Student Travel Grant, 2025

Macro Finance Society PhD Student Travel Grant, 2025

Jacobs Levy Center Research Grant (joint with W. Diamond and C. Xu), 2024

Doctoral Fellowship, UPenn Graduate Division of Arts and Sciences, 2021 - 2025

Software Skills

EViews, L^AT_EX, Mathematica, MATLAB, Julia, Python, R, Stata

Last updated: September 29, 2025