

NICK DEROBERTIS

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RESEARCH INTERESTS

Empirical corporate finance, empirical asset pricing, behavioral finance, market microstructure, and monetary policy

EDUCATION

University of Florida <i>Ph.D. in Business Administration - Finance and Real Estate</i>	August 2020 Gainesville, FL
Virginia Commonwealth University <i>Master of Science in Business, Concentration in Finance</i>	May 2014 Richmond, FL
Virginia Commonwealth University <i>Bachelor of Science in Business, Concentration in Finance</i>	May 2013 Richmond, FL

ACADEMIC EXPERIENCE

University of Florida <i>Graduate Assistant</i>	August 2014 - Present Gainesville, FL
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- Conduct research, including project development, data collection and cleaning, analysis, and presentation

Courses taught:

- Financial Modeling (Python and Excel-based course, 4.2/5 evaluations)
 - Semesters: Fall 2019, Spring 2020, Fall 2020, Spring 2021
- Debt and Money Markets (fixed income course, 4.8/5 evaluations)
 - Semesters: Fall 2016, Spring 2018

Virginia Commonwealth University <i>Graduate Assistant</i>	September 2013 - August 2014 Richmond, FL
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- Conduct research and assist professors in teaching class sections and grading assignments

Courses taught:

- Financial Management Lab (Excel skills course)
 - Semesters: Spring 2014

OTHER PROFESSIONAL EXPERIENCE

CNC Partners
Managing Partner

May 2013 - August 2014
Richmond, VA

- Analyzed financial information obtained from clients to determine strategies for meeting their financial objectives

Eastern Virginia Bankshares
Portfolio Analyst, Portfolio Management

August 2012 - August 2013
Atlee, VA

- Rebuilt Allowance for Loan and Lease Losses (ALLL) models, ultimately saving \$5.4 million for the bank
- Designed and implemented stress testing methodologies

Federal Reserve Board of Governors
Credit Risk Intern, Banking Supervision & Regulation

May 2011 - August 2011
Washington, D.C.

- Created a regulatory scale which standardizes the largest banks internal ratings

WORKING PAPERS

Valuation without Cash Flows: What are Cryptoasset Fundamentals?

Cryptoassets represent a novel asset class in which tokens are generated and transacted using cryptography. To date, few studies have attempted to derive a fundamental valuation for a cryptoasset. I develop a model based on the Quantity Theory of Money (QTM) which informs us about fundamental value of a currency, and apply it to understand cryptoasset valuation. For most cryptoassets, an expectation of future use as a currency drives the valuation. I analyze attention, sentiment, and technological classification measures as proxies for this expectation.

Government Equity Capital Market Intervention and Stock Returns, with Andy Naranjo and Mahendrarajah Nimalendran

As part of their market intervention strategy, the Bank of Japan (BOJ) has been purchasing shares of ETFs tracking Japan's major stock indices, reaching as much as ¥16.3 trillion in holdings by December of 2017. We show that firms that end up with high BOJ ownership have 1.78% higher daily returns and alpha of 0.29% in the window of $(-1, 1)$ around BOJ purchase days compared to firms with no ownership. We further show that there are significant price distortion effects as the BOJ purchases assets proportionally to their index weighting and not their market value. We analyze the Nikkei 225 as a price-weighted target index, and provide evidence that firms with high price-weightings but low market capitalization out-perform by 9.12% annually compared to the average firm. We show evidence that this out-performance is due to higher Bank of Japan ownership.

Are Investors Paying (for) Attention?

I examine the informativeness of investor attention on pricing of assets by using a new proxy based on Google search data. In contrast to prior studies using Google data, my new proxy contains cross-sectional firm attention information in addition to time-series information. I focus on firms that consistently receive high or low attention, rather than attention-grabbing events. I find that firms with low attention outperform firms with high attention by 8.16% annually, and after isolating the unique information in search volume and removing the impact of attention-grabbing events, the outperformance is still statistically and economically significant at 6.36% annually.

OSPIN: Informed Directional and Volatility Trading in Options and Stock, with Yong Jin, Mahendrarajah Nimalendran, and Sugata Ray

To gain a better understanding of the role of information in the price discovery of stock and option markets, we propose and estimate a joint structural model of trading in both markets, yielding correlated directional informed trading in both markets, informed volatility trading in the option market, and correlated (buy/sell) liquidity trades in both markets. The model parameters and the probabilities of informed and liquidity trading in both markets are estimated using signed high frequency stock and options trading data for different option contracts. We find that moneyness and maturity play an important role in informed trading and on the microstructure price discovery of the stock and options markets. Further, we find the high frequency informed trading measures in the options market spike just before earnings announcements and remain high for a few days after the announcement.

WORKS IN PROGRESS

Explaining the Cross-Section of Cryptocurrency Returns

There are thousands of cryptocurrencies, but no model to explain their price movements. One cryptocurrency stands out in terms of its public awareness and market capitalization: Bitcoin. Anecdotal evidence suggests that cryptocurrency returns are related to Bitcoin returns. This study seeks to determine a pricing model which relates individual cryptocurrency returns to Bitcoin returns.

Does Government Equity Market Intervention Affect Liquidity and Volatility?, with Andy Naranjo and Mahendrarajah Nimalendran

Bank of Japan (BOJ) ETF purchases have resulted in the BOJ owning more than 60% of total outstanding ETFs by December of 2017. Considering such a large volume of purchases, we focus on liquidity effects in both the ETF market and the market for the underlying shares. Further, as the BOJ is only purchasing and not selling, we examine how downside volatility decreases.

The Effect of Equity Market Intervention on Corporate Financing, with Andy Naranjo and Mahendrarajah Nimalendran

We show in prior work that stock prices of the underlying firms increase in response to Bank of Japan (BOJ) purchases of ETFs of major stock indices. Considering a higher share value, firms should be more likely to choose equity than debt when raising capital. This effect may be mediated by the low cost of debt during this time period.

How do CEOs Respond to Public and Investor Scrutiny?, with Corbin Fox

In the United States, there has been a trend towards increased public scrutiny of CEO pay, in both the press and in regulation. As far as regulation, first companies had to release a summary table of compensation, then "Say on Pay" legislation was introduced so that shareholders vote to approve the CEO compensation. We examine the quantity and quality of CEOs that move from the public sector to the private sector, using regulatory changes as exogenous shocks.

Do Insiders Learn From Short Sellers?, with Corbin Fox

Differing groups of investors, such as insiders, short-sellers, and analysts, have different information sets on which to trade. While the use and transmission of information by insiders has been extensively studied, there is a lack of research on how insiders learn from external investors such as short-sellers. We examine the response of insider trading to surprises in short interest.

AWARDS AND GRANTS

Warrington College of Business Ph.D. Student Teaching Award	Fall 2016
Warrington Finance Ph.D. Research Grants (\$2000/yr)	2014-2019
CFA Global Investment Research Challenge – Global Semi-Finalist	2013
Finance Student of the Year	2013
Alcoa Foundation Community Scholarship (full tuition and fees)	2010-2014
VCU School of Business Scholarship (\$3000/yr)	2010-2014

SOFTWARE PROJECTS

[py-ex-latex](#) (Python Extends LaTeX) *14k LOC, 403 commits*

Create LaTeX documents using only Python. Rather than building a direct Python API to LaTeX, this package has its own, simpler API to creating documents. It is focused on creating professional-looking documents with little styling effort. It currently supports documents and presentations with an additional resume subpackage. All my papers, presentations, and even my CV are generated using py-ex-latex.

[cryptocompare-py](#) (Cryptoasset Data Downloader) *4k LOC, 77 commits*

A Python SDK for the CryptoCompare APIs which require an API key. Allows downloading price history, social information, and blockchain information for cryptoassets.

[capiq-excel-downloader-py](#) (Capital IQ Excel Downloader) *2k LOC, 54 commits*

A tool to drive Excel using the Capital IQ plugin to download Capital IQ data. Useful for downloading large data sets from Capital IQ.

[datastream-excel-downloader-py](#) (Datastream Excel Downloader) *1k LOC, 37 commits*

Use this tool to drive Excel using the Thompson Reuters Eikon plugin to download Datastream data. Useful for downloading large amounts of data.

[py-edgar-api](#) (Python SEC EDGAR API) *494 LOC, 8 commits*

Download filings from SEC's Edgar using Python.

[data-code](#) (Python Tools for Working with Data) *13k LOC, 398 commits*

Data pipelines for humans. Work with variables, sources, and pipelines rather than raw data. Also includes high-level tools to analyze, summarize, and transform data.

[regtools](#) (Python Regression Framework) *4k LOC, 78 commits*

High-level tools for running regressions. Handles fixed effects, 2+ way clustering, hypothesis testing, lagged variables, differenced variables, interaction effects, iteration tools, and producing summaries for a variety of models including OLS, Logit, Probit, Quantile, and Fama-Macbeth.

[sensitivity](#) (Python Sensitivity Analysis) *2k LOC, 24 commits*

Python sensitivity analysis - run models with varying inputs to produce visualizations including gradient DataFrames and hex-bin plots

py-finstmt (Python Financial Statement Tools)

6k LOC, 242 commits

Work with financial statement data in Python. Can calculate free cash flows and help project financial statements.

pysentiment (Python Dictionary-Based Sentiment Analysis)

792 LOC, 23 commits

Python dictionary-based sentiment analysis. Includes Harvard IV-4 and Loughran and McDonald Financial Statement dictionaries.

REFERENCES

Dr. Andy Naranjo

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University of Florida
Warrington College of Business Administration
Department of Finance, Insurance, & Real Estate
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Dr. Nitish Kumar

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