

DIZH Commission

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**DIZH proposal by Luca Persia**

22 September 2024

Dear DIZH Commission,

I am pleased to write this recommendation letter in support of Luca Persia's application for the DIZH Junior Fellowship 2025.

I have had the opportunity to work with Luca for a bit more than one year. He worked in the Stress Test Modelling division of the European Central Bank initially as a trainee and later as an analyst, particularly within the Market Risk team. During this time, Luca consistently demonstrated solid skills in econometric modeling, financial analysis, and statistical techniques.

In particular, he made valuable contributions to the 2023 European Banking Authority (EBA) Stress Test, supporting the team in its successful execution. He also lead the calibration of the adverse scenarios for the European Securities and Markets Authority (ESMA) Money Market Funds Stress Test of 2023 and supported the calibration of the ongoing Fit-for-55 Stress Test. Additionally, Luca helped to manage and optimize a new tool to run the EBA Stress Test using multiple scenarios (Distributional Stress Test). His development of a Python package to calculate the implied volatility of American options was a notable achievement that added value to the team's derivatives repricing work.

Luca's solid grasp of econometric and machine learning techniques was matched by his enthusiasm for financial research and modelling. He consistently tackled challenges with a positive, proactive attitude, always eager to deepen his understanding of financial modelling.

Already during his time in STM Luca and I had discussed how to move forward the division's toolkit in the area of liquidity risk. From being currently focused on bank solvency assessments it would be extremely helpful to incorporate more elements of liquidity risks, and liquidity-solvency interactions, in our machinery. Doing so in the context of structural models that effectively identify the impact of demand and supply shock on corporate liquidity will be a valuable addition to the toolkit. Given the increased focussed of the

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supervisory community on monitoring liquidity and its possible disruptions in the aftermath of the March 2023 crisis, this model will be a valuable addition to the tools used to inform the division' regular risk assessment.

In case you need more information, do not hesitate to contact me at.

Yours sincerely,

A handwritten signature in black ink, reading "Costanza Rodriguez del Rio". The signature is written in a cursive, flowing style.

Deputy Head of Division  
Stress Test Modelling