

# Literature Review Connections

- How should I frame  $\kappa = b/\tau$  in relation to classic microstructure measures (Kyle's  $\lambda$ , Amihud's illiquidity, Hasbrouck's VAR)?
  - Possible step: Draft a short comparative table showing  $\kappa$  vs.  $\lambda$ , Amihud, etc., highlighting dimensional differences and interpretability.
- Would it be worthwhile to emphasise differences between structural (CARA-LMSR) vs. reduced-form approaches in the literature review?
  - Possible step: Add a short subsection contrasting mechanism-grounded vs. regression-based measures, using  $\kappa$  as an example of the former.
- Are there specific domains (sports, politics, crypto) where linking to prior liquidity studies would strengthen the narrative?
  - Possible step: Survey which domains (e.g. sports betting, Bitcoin) already have established liquidity literature, and insert targeted citations there.

# Interpretation and Positioning

- Should I expand the discussion of why  $\kappa$  appears more stable than  $\tau$  across markets?
  - Possible step: Draft an interpretation section with intuition about  $\kappa$  as a “structural invariant” vs.  $\tau$  as a scale-dependent object.
- How much space should be dedicated to interpreting  $\tau$  itself, given its dependence on  $b$ ?
  - Possible step: Prepare a concise explanation noting that  $\tau$  is fragile but still useful for connecting to Arrow–Pratt risk aversion theory.
- Is it better to highlight invariance of  $\kappa$  as a main contribution, or balance it equally with coverage results?
  - Possible step: Outline two possible chapter structures — (i)  $\kappa$  as centerpiece, (ii) balanced with coverage patterns — and decide on emphasis.

# Next Steps for the Chapter

- Are there key robustness checks (window sizes, belief proxies) that should be moved from appendix into the main text?
  - Possible step: Bring one robustness figure (e.g. rolling vs. disjoint windows) into the main results section to show stability clearly.
- Should I add a comparative case study (e.g., NBA vs. Trump markets) to illustrate heterogeneity more concretely?
  - Possible step: Draft a 1–2 page “mini case” with figures contrasting high-intensity (NBA) vs. low-intensity (Trump) markets.
- Any specific theoretical or empirical papers you think I should cite to solidify the contribution?
  - Possible step: Create a short “gap list” of citations to check — e.g. more recent market design papers or extensions of Amihud/Kyle measures.