

# Efe Cotelioglu

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## EDUCATION

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Swiss Finance Institute & USI, Lugano, Switzerland Ph.D. in Finance	09/2015 – present
Georgetown University, McDonough School of Business, Washington D.C, USA Visiting Ph.D. Scholar	09/2019 – 06/2020
Koc University, Istanbul, Turkey M.Sc. in Industrial Engineering (GPA: 3.86/4.0)	09/2013 – 08/2015
Bilkent University, Ankara, Turkey B.Sc. in Industrial Engineering (GPA: 3.85/4.0) Minor Program in Economics	09/2009 – 06/2013

## RESEARCH INTERESTS

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Empirical Asset Pricing, Institutional Investors, Liquidity, Corporate Bonds, Credit Risk

## PUBLICATION

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### What Constrains Liquidity Provision? Evidence From Institutional Trades

(with Francesco Franzoni and Alberto Plazzi)

*Review of Finance*, Forthcoming

The paper studies liquidity provision by institutional investors using trade-level data. We find that hedge fund trades are a more important predictor of stock-level liquidity than mutual fund trades. However, hedge funds' liquidity provision is more exposed to financial conditions than that of mutual funds. Hedge funds that are more constrained in terms of leverage, age, asset illiquidity, and past performance exhibit a stronger shift towards liquidity consumption when funding condition tighten. Stocks with more exposure to constrained liquidity providing hedge funds suffered more during the financial crisis.

## WORKING PAPERS

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### Do Mutual Funds and ETFs Affect the Commonality in Liquidity of Corporate Bonds?

*Job Market Paper*

The paper studies the effect of growing mutual fund and ETF ownership on the commonality in liquidity of bonds in their portfolios. Unpredictable liquidity needs of funds may give rise to correlated trading across underlying illiquid bonds. I document a positive and significant relationship between ETF ownership and liquidity commonality of investment-grade bonds, which suggests that ETFs reduce the possibility to diversify liquidity risk. In contrast, and unlike for equities, mutual fund ownership does not affect the co-movement in bond liquidity. I identify three channels that explain the differential impact of ETFs and mutual funds: flow-driven correlated trading, different investor clienteles, and ETF arbitrage activity.

Columns on the paper:

Credit Liquidity Risk Is Rising Thanks to Boom in Bond ETFs, *Bloomberg*, October 14, 2020,

Rapid Growth of Bond ETFs Could Fuel Credit Liquidity Risks, *ETF Trends*, October 14, 2020

Bond ETF explosion fuels liquidity risks, *ETF Stream*, October 19, 2020

How Democratization Of The Bond Market Killed Liquidity, *Zero Hedge*, October 14, 2020

### The Term Structure of Credit Spreads and Institutional Equity Trading

This paper empirically investigates the role of long-term institutional investors in information diffusion from the credit market to equities. The results show that a 1-percent increase in CDS slope is associated with a 0.175 percentage point increase in the sales of the long-term institutions. However, changes in CDS slope do not significantly predict short-term institutional trading. My findings provide evidence that a low CDS slope predicts improved creditworthiness, which in turn, is transmitted to the equity market through the trading of long-term institutions.

## AWARDS & ACHIEVEMENTS

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Swiss Finance Institute Travel Grant for AFA Annual Meeting	2020
Swiss National Science Foundation Mobility Grant	2019 – 2020
AFA Doctoral Student Travel Grant for the Annual Meeting	2019
Swiss Finance Institute Graduate Fellowship	2015 – 2016
Graduate Fellowship by Koc University and Scientific Research Council of Turkey	2013 – 2015
Certificate of High Honor (Ranked 3 <sup>rd</sup> out of 150 in the Department of IE), Bilkent University	2009 - 2013
Merit-based Scholarship, Bilkent University	2009 - 2013
Top 0.05% (out of 1.4 million) ranking in University Entrance Exam, Turkey	2009
Ranked 2 <sup>nd</sup> out of 550, Bornova Anatolian High School, Izmir	2009

## CONFERENCE & SEMINAR PRESENTATIONS

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2020: AFA Ph.D. Student Poster Session (San Diego), SFI Research Days (Virtual), AEFIN PhD Mentoring Days (Virtual), Brown Bag Seminar (Lugano)  
2018: 35<sup>th</sup> Annual Conference of the French Finance Association (Paris), XXVI Finance Forum (Santander), Spanish Finance Association 1<sup>st</sup> PhD Consortium (Santander)  
2017: SFI Research Days (Gerzensee)  
2015: 18<sup>th</sup> INFORMS Applied Probability Conference (Istanbul)

## DISCUSSIONS

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2020: SFI Research Days (Virtual)  
2018: XXVI Finance Forum (Santander), 35<sup>th</sup> Annual Conference of the French Finance Association (Paris)  
2017: SFI Research Days (Gerzensee)

## TEACHING ASSISTANCE

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<b>USI</b> , Lugano, Switzerland Financial Intermediation (Master in Finance)	2016 – present
<b>Koc University</b> , Istanbul, Turkey Stochastic Models (B.Sc. in Industrial Engineering) Applied Statistics (B.Sc. in Industrial Engineering) Engineering Economic Analysis (B.Sc. in Industrial Engineering)	2013 – 2015

## WORK EXPERIENCE

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<b>HSBC</b> , Istanbul, Turkey <i>Treasury &amp; Capital Markets Intern</i>	02/2015 – 06/2015
<b>Unilever</b> , Istanbul, Turkey <i>Demand Planning Project Intern</i>	07/2012 – 09/2012

## ADDITIONAL INFORMATION

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**Programming:** Python, Java, MATLAB, Stata, SAS, SQL, L<sup>A</sup>T<sub>E</sub>X

**Languages:** English (Fluent), German (Intermediate), Italian (Intermediate), Turkish (Native)

## REFERENCES

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