

# Darya Yuferova

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## Academic Experience

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### Norwegian School of Economics (NHH)

Assistant Professor of Finance

Aug-2016 – Present

## Education

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### Rotterdam School of Management, Erasmus University

PhD in Finance

Sep-2011 – Jun-2016

Supervisors: Mathijs van Dijk and Dion Bongaerts

### NYU Stern Business School

Visiting scholar

Aug-2014 – Dec-2014

Host: Marti G. Subrahmanyam, Charles E. Merrill Professor of Economics and Finance

### Duisenberg School of Finance / VU University Amsterdam

MSc in Finance, cum laude

Aug-2010 – Oct-2011

Major: Risk Management

### Novosibirsk State University

BSc in Economics, cum laude

Sep-2006 – Jun-2010

Major: Mathematical Methods in Economics

## Research Interests

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Interplay between market microstructure and asset pricing

## Revise & Resubmit

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### How Do Shocks Arise and Spread Across Stock Markets? A Microstructure Perspective

(with Dion Bongaerts, Richard Roll, Dominik Rösch, and Mathijs van Dijk)

R&R in Management Science

We study intraday, market-wide shocks to stock prices, market liquidity, and trading activity on international stock markets and assess the relevance of recent theories on “liquidity dry-ups” in explaining such shocks. Market-wide price shocks are prevalent and large, with rapid spillovers across markets. However, price shocks are predominantly driven by information; they do not revert and are often associated with macroeconomic news. Furthermore, liquidity shocks are typically isolated and transitory. Overall, we find little evidence for liquidity effects fomenting price shocks or non-fundamental contagion, nor for alternative explanations. Market-wide liquidity dry-ups are thus of little concern to international investors.

Presented at: (\*) presented by co-author

- o the 5th Conference on Securities markets: Trends, risks and policies, CONSOB-BAFFI CAREFIN, Milan 2017; Annual Conference in International Finance, Hong Kong 2016 (\*); the 7th Behavioral Finance Conference, Miami 2016 (\*); the FTSE/Russell World Investment Forum, Georgia 2016

(\*); the 8th Financial Risks International Forum on Scenarios, Stress, and Forecasts in Finance, Paris 2015; the 5th Emerging Markets Finance Conference, Mumbai 2014; joint conference of the 21st Annual Meeting of the German Finance Association (DGF) and 13th Symposium on Finance, Banking, and Insurance, Karlsruhe 2015 (\*); conference on Extreme Events in Finance, Royaumont 2015 (\*); INFER workshop on Financial Globalization, International Trade, and Development, Bordeaux 2014; PhD seminar at Rotterdam School of Management, Erasmus University, 2014.

## Working Papers

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### Wait or Trade?

*(single-authored)*

I study the effect of high-frequency trading (HFT) activity on the strategic choice of informed traders for market (impatient, liquidity-consuming, “trade”) versus limit (patient, liquidity-providing, “wait”) orders. My findings show that an exogenous increase in HFT activity around the introduction of the NYSE Hybrid Market leads to a significant increase of both impatient and patient informed trading, with the latter effect being the dominant one. In other words, an exogenous increase in HFT activity relaxes the trade-off between price informativeness and market liquidity (especially for large stocks).

Presented at:

- o FMA conference, San Diego 2018; FMA Europe conference, Kristiansand 2018; SGF conference, Zurich 2018; seminar at Universiteté de Lille, 2018; seminar at Gothenburg University, 2018; NFN Young Scholars workshop, Helsinki 2016; seminar at Paris Dauphine University, 2016; seminar at Norwegian Business School (BI), 2016; seminar at Goethe University, 2016; seminar at Norwegian School of Economics, 2016; seminar at Cornerstone Research, 2016; FMA Doctoral Student Consortium, Orlando 2015; PhD course “Market liquidity” by Thierry Foucault and Marco Pagano, Brussels 2015; PhD seminar at Tinbergen Institute, 2015; PhD seminar at Rotterdam School of Management, Erasmus University, 2015; PhD seminar at NYU Stern Business School, 2014.

### Designated Market Makers: Competition and Incentives

*(with Mario Bellia, Lorian Pelizzon, and Marti G. Subrahmanyam)*

Do competition and incentives offered to designated market makers (DMMs) improve market liquidity? Using data from the NYSE Euronext Paris, we show that an exogenous increase in competition among DMMs leads to a significant decrease in quoted and effective spreads, mainly through a reduction in the realized spread. In contrast, changes in incentives, through small changes in rebates and requirements for DMMs, do not have any tangible effect on market liquidity. Our analysis shows that incentivizing DMMs might not necessary lead to an improvement of market liquidity unless exchanges induce greater competition among DMMs.

Presented at: (\*) presented by co-author

- o forthcoming: World Symposium on Investment Research, 2020 (virtual meeting); FMA conference, 2020 (virtual meeting); American Finance Association, 2021 (virtual meeting).
- o Paris December Finance Meeting, 2019; NFA conference, Vancouver 2019 (\*); the CEPR Imperial Plato Market Innovation (MI3) conference, London 2019 (\*); seminar at Kellogg School of Management, Northwestern University, 2019; seminar at Université de Lille, 2019; seminar at

University of Stavanger, 2019; seminar at NYU Stern, 2019 (\*); seminar at Indian School of Business, 2019; seminar at Norwegian School of Economics (NHH), 2018.

### **Coming Early to the Party**

*(with Mario Bellia, Lorian Pelizzon, Marti G. Subrahmanyam, and Jun Uno)*

We examine the strategic behavior of High Frequency Traders (HFTs) during the pre-opening phase and the opening auction of the NYSE-Euronext Paris exchange. HFTs actively participate, and profitably extract information from the order flow. They also post “flash crash” orders, to gain time priority. They make profits on their last-second orders; however, so do others, suggesting that there is no speed advantage. HFTs lead price discovery, and neither harm nor improve liquidity. They “come early to the party”, and enjoy it (make profits); however, they also help others enjoy the party (improve market quality) and do not have privileges (their speed advantage is not crucial).

Presented at: (\*) presented by co-author

- o FEBS conference, Rome 2018; SGF conference, Zurich 2018 (\*); seminar at Norwegian School of Economics (NHH), 2018; conference on Market Design and Regulation in the Presence of High-Frequency Trading, Hong Kong 2017; Spanish Finance Association conference (XXV Finance Forum), Barcelona 2017 (\*); FMA Europe conference, Lisbon 2017.

### **Recovery from Fast Crashes: Role of Mutual Funds**

*(with Mila Getmansky, Ravi Jagannathan, Lorian Pelizzon, and Ernst Schaumburg)*

We study the role mutual funds play in the recovery from fast intraday crashes based on data from the National Stock Exchange of India for a single large stock. During normal times, trading activity and liquidity provision by mutual funds is negligible compared to other traders at around 4% of overall activity. Nevertheless, for the two intraday market-wide crashes in our sample, price recovery took place only after mutual funds moved in. Market stability may require the presence of well-capitalized standby liquidity providers for recovery from crashes.

Presented at: (\*) presented by co-author

- o the 10th Emerging Markets Finance conference, Mumbai 2019; FIRS conference, Savannah 2019.

### **Low-Latency Trading and Price Discovery: Evidence from the Tokyo Stock Exchange in the Pre-Opening and Opening Periods**

*(with Mario Bellia, Lorian Pelizzon, Marti G. Subrahmanyam, and Jun Uno)*

We study whether the presence of low-latency traders (including high-frequency traders (HFTs)) in the pre-opening period contributes to market quality, defined by price discovery and liquidity provision, in the opening auction. We use a unique dataset from the Tokyo Stock Exchange (TSE) based on server-IDs and find that HFTs dynamically alter their presence in different stocks and on different days. In spite of the lack of immediate execution, about one quarter of HFTs participate in the pre-opening period, and contribute significantly to market quality in the pre-opening period, the opening auction that ensues and the continuous trading period. Their contribution is largely different from that of the other HFTs during the continuous period.

Presented at: (\*) presented by co-author

- o the 10th international conference on computational and financial econometrics, Sevilla 2016; the 4th conference on Securities Markets: Trends, Risks and Policies, CONSOB-BAFFI CAREFIN, Milan 2016 (\*); SGF conference, Zurich 2016; Nippon Finance Association Meeting (\*); SAFE

Microstructure Workshop, Frankfurt 2015 (\*); 4th International Conference on the Industrial Organisation of Securities and Derivatives Markets: High Frequency Trading, Frankfurt 2015 (\*); FMA Europe conference, Venice 2015 (\*).

## Teaching Experience

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### Norwegian School of Economics (NHH)

*Jan-2017 – Present*

- o 2019 – Present: Lectures for TechUpgrade program (Executive Teaching)
- o 2019 – Present: Lectures for Financial Econometrics (PhD course)
- o 2017 – Present: Lectures for Financial Econometrics (Master course)
- o 2017 – Present: Master thesis supervision

### Rotterdam School of Management, Erasmus University

*Jan-2012 – Jun-2016*

- o 2015: Lectures for Alternative investments (Bachelor course)
- o 2013 and 2015: Workshops for Investments (Master course)
- o 2012 – 2015: Master thesis supervision and co-readerships
- o 2012 – 2013: Bachelor thesis supervision

## Professional Experience

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### Robeco Asset Management

*May-2011 – Aug-2011*

- o “Superquant” internship. Worked on research project: “Style rotation for FOREX investment strategies”

## Skills

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### Languages:

Russian (native), English (fluent, TOEFL IBT 104, CAE B), Norwegian (intermediate)

### Programming:

Eviews, OxMetrics, Matlab, R, SAS, Stata, Excel (VBA)

### Databases:

BEDOFIH, TRTH, NASDAQ TotalView ITCH, TAQ, CRSP, DataStream, Bloomberg

## Prizes, Awards, and Scholarships

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- o “Designated Market Makers: Competition and Incentives” – Best paper award at the CEPR Imperial Plato Market Innovation (MI3) conference, London 2019
- o “Coming Early to the Party” – Best paper award at Spanish Finance Association conference (XXV Finance Forum), Barcelona 2017
- o Grant from EUROFIDAI and BEDOFIH for research proposal “Strategic behavior of high frequency traders during pre-opening period”, 2014
- o Vereniging Trustfonds Erasmus Universiteit Rotterdam Research Visit Grant, 2014
- o AFA Student Travel Grant, 2014