

# ROBERTO RICCO'

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Department of Finance, NHH ◊ Helleveien 30, 5045 Bergen, Norway

## ACADEMIC APPOINTMENTS

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**NHH - Norwegian School of Economics - Finance Department**  
Assistant Professor

Aug 2020 -

## EDUCATION

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**Bocconi University, Milan, Italy**  
PhD in Finance

2014-Jan 2020

**Parma University, Parma, Italy**  
M.S. in Finance & Risk Management (Summa Cum Laude)

2010-2012

**Parma University, Parma, Italy**  
B.S. in Economics and Finance

2007-2010

## RESEARCH INTERESTS

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Market Microstructure, Experimental Finance, Information Economics

## REFERENCES

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Prof. Barbara Rindi  
Associate Professor of Economics  
Bocconi University, IGIER,  
BAFFI-Carefin  
Via Roentgen, 1  
20136 Milano, Italy  
✉ barbara.rindi@unibocconi.it

Prof. Duane Seppi  
BNY Mellon Professor of Fi-  
nance,  
Head M.S. in Computational Fi-  
nance Program  
Tepper School of Business  
Carnegie Mellon University  
5000 Forbes Avenue  
Pittsburgh, PA 15213  
✉ dseppi@cmu.edu

Prof. Arie Gozluklu  
Associate Professor of Finance  
Warwick Business School  
The University of Warwick  
Coventry, CV47AL, UK  
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## WORKING PAPERS

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### **Squeezing the Shorts in Small Cap Stocks** (Job Market Paper)

*Abstract:* In the summer of 2018 the shares of New Concept Energy and Avalon Holdings increased more than 500% and then fell back down without any news or rumours about the companies. Using court documents we reconstruct the trades by an alleged manipulator, we analyze his strategic trading behavior and how the market reacted to his trades. We find that the market on average was not able to identify the alleged manipulator's trades and that his trading costs were lower than those of the other market participants. Consistent with Allen and Gale (1992) we find that the manipulator exhibits the same behavior as informed investors in Collin-Dufresne and Fos (2015), Kacperczyk and Pagnotta (2018), Garriott and Riordan (2019). We argue that Regulation SHO mandatory settlement deadline easily binds for small-cap stocks, making manipulation in these stocks more likely.

**Information, Liquidity, and Dynamic Limit Order Markets** with Barbara Rindi and Duane Seppi (Accepted 2018 NYU Microstructure Conference, 2018 WFA meeting, 2018 SAFE Market Microstructure Conference, 2019 AFA)

*Abstract:* This paper describes price discovery and liquidity provision in a dynamic limit order market with asymmetric information and non-Markovian learning. Investors condition on information in both the current limit order book and also, unlike in previous research, on the prior order history when deciding whether to provide or take liquidity. Numerical examples show that the information content of the prior order history can be substantial. In addition, the information content of arriving orders can be non-monotone in order direction and aggressiveness.

**Optimal Market Access Pricing** with Barbara Rindi and Duane Seppi (*Accepted 2019 WFA meeting*)

*Abstract:* This paper provides a theoretical explanation for the widespread use of rebate-based access pricing -maker-taker and taker-maker - in present-day securities markets. Given a standard model of trading frictions, we show that exchanges optimally use rebate-based access pricing when dispersion of investor asset valuation is low (and thus potential gains from trade are low), but strictly positive fees for both liquidity makers and liquidity takers with high investor valuation dispersion. In addition, when the trading frequency increases, the incentive to use rebate-based pricing decreases. However, rebate-based pricing is more likely in markets with HFT trading. When rebate-based access pricing is optimal for an exchange, we find that total welfare increases (decreases) when investor valuation dispersion is low (high) without HFTs. However, with HFTs, optimal rebate-based access pricing strictly improves total welfare, although Pareto transfers from exchanges to investors may be needed to improve investor welfare. In addition, we identify an asymmetry in how make fees and take fees affect the trading process. Thus, the effect of maker-taker and taker-maker pricing need not always be symmetric.

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## WORK IN PROGRESS

Experimental Finance project with Arie Gozluklu, Barbara Rindi, Duane Seppi in which we use experimental asset markets to analyze trading in different market settings

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## TEACHING EXPERIENCE

**Teaching Assistant**, Bocconi University  
Equity Portfolio Management *by Prof. Andrea Beltratti* 2019-2020

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## TRAINING PROGRAMS

Bocconi Excellence in Advanced Teaching (PhD BEAT) 2019

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## ACADEMIC PRESENTATIONS

Bocconi Seminar 2019  
Bocconi PhD Students Workshop 2017

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## COMPUTER SKILLS

**Programming Languages:** Delphi, C++, SQL, Java (Basic), PHP (Basic), HTML (Basic), Python (Basic)  
**Software:** Mathematica, Stata, Matlab, Microsoft Office, IBM SPSS  
**Databases:** CRSP, Compustat, WRDS, Refinitiv Tick History

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## AWARDS

Bocconi Phd Grant for most promising young researchers 2019-2020

## LANGUAGES

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Italian (Native), English (Fluent)