Alessio Saretto

Federal Reserve Bank of Dallas
Research Department
2200 N Pearl Street
Dallas, TX 75201

Office Phone:
Email: alessio.saretto@dal.frb.org
Email: alessiosaretto@gmail.com
https://sites.google.com/view/alessio-saretto-webpage/home

Appointments

Senior Research Economist and Advisor, Federal Reserve Bank of Dallas (2021 – present)

Visiting Assistant Professor of Finance, Olin Business School, Washington University (2018 – 2019)

Assistant Professor of Finance, Jindal School of Management, UT Dallas (2012 – 2020)

Visiting Assistant Professor of Finance, McCombs School of Business, UT Austin (2010 – 2012)

Assistant Professor of Finance, Krannert School of Management, Purdue University (2006 – 2010)

Visiting Instructor of Finance, Krannert School of Management, Purdue University (2005 – 2006)

Education

PhD Finance (UCLA, 2006)

PhD Mathematical Finance (University of Brescia, 2002)

MA International Economics (Catholic University of Milan, 1999)

Research Interests

Option Pricing, Credit Risk, Structured Finance

Published Papers

1. "An Evaluation of Alternative Multiple Testing Methods for Finance Application" with Campbell Harvey and Yan Liu, 2020, **Review of Asset Pricing Studies**, 10(2), 199–248 (Invited submission).
2. "Anomalies and False Rejections" with Tarun Chordia and Amit Goyal, 2020, **Review of Financial Studies**, 33(5), 2134–2179.
3. "Growth Options and Credit Risk" with Andrea Gamba, 2020 , **Management Science**, 66(9), 4269–4291.
4. "Does Hedging with Derivatives Reduce the Cost of Corporate Debt? The Role of Basis Risk" with Sriya Anbil and Heather Tookes, 2019, **Journal of Financial Stability**, 41(C), 25–42.
5. "Leverage and the Interaction Between Firms and Non-Financial Stakeholders: Evidence from Contract Negotiations and Union Strikes" with Brett Myers, 2016, **Management Science**, 62(11), 3235–3253.
6. "Complex Securities and Reputation: Do Reputable Underwriters Produce Better Securities?" with John Griffin and Richard Lowery, 2014, **Review of Financial Studies**, 27(10), 2872–2925.
   BlackRock prize for best paper at the 26th Australasian Banking and Finance Conference.
7. "Corporate Leverage, Debt Maturity and Credit Supply: the Role of Credit Derivatives" with Heather Tookes, 2013, **Review of Financial Studies**, 26(5), 1190–1247.

8. “Why Did Auction Rate Bond Auctions Fail during 2007–2008?” with Baixiao Liu and John McConnell, 2010, **Journal of Fixed Income**, 20, 5–18.

9. “Auction Failures and the Pricing of Auction Rate Securities” with John McConnell, 2010, **Journal of Financial Economics**, 97, 451–469.

10. “Cross-Section of Option Returns and Volatility” with Amit Goyal, 2009, **Journal of Financial Economics**, 94, 310–326.

11. “Option Strategies: Good Deals and Margin Calls” with Pedro Santa-Clara, 2009, **Journal of Financial Markets**, 12, 391–417.

Research Papers

12. “Endogenous Option Pricing” with Andrea Gamba

13. “The Agency Component of Credit Spreads” with Andrea Gamba.

14. “What Fuels the Volatility of Electricity Prices?” with Anastasia Shcherbakova and Jeremy Lin

15. “The Trust Alternative” with Indraneel Chakraborty and Malcolm Wardlaw.

16. “Predicting and Pricing the Probability of Default”. Runner-up for the best student paper award at the 2004 European Finance Association meeting.

Work in Progress

16. “Machine Learning and the Costs and Benefits of False Discovery Control”

17. “Empirical Bayes Control of the False Discovery Exceedance”, with Pallavi Basu, Luella Fu, Wenguang Sun

18. “Settlers of Barnett” with Anastasia Shcherbakova

19. “Storage Risk and Convenience Yields in the Crude Oil Market”

Teaching Experience

- Purdue Mgmt 411: Investments (upper level undergraduate)
- Purdue Mgmt 641: Options and Futures (2nd year MBA elective)
- Purdue Mgmt 671: Asset Pricing Theory (PhD Seminar)
- Purdue Mgmt 691: Asset Pricing Empirical (PhD Seminar)
- Purdue Mgmt 571: Student Managed Investment Fund (MBA Seminar)
- UT Fin 367: Investment Management (upper level undergraduate)
- UT Fin 397-1: Investment Theory and Practice (2nd year MBA)
- UT Fin 397-4: Energy Risk Management (2nd year MBA)
- UTD Fin 4340: Options and Futures (upper level undergraduate)
- UTD Fin 6341: Energy Risk Management (MBA-MSF-MEF)
- UTD Fin 6360: Options and Futures (MSF)

- UTD Fin 7350: Topics in Theoretical Asset Pricing (PhD Seminar)
- WSHU Fin 451: Options and Futures (upper level undergraduate)
- WSHU Fin 524B: Derivatives (MSFQ)

Average teaching evaluations over the past 5 years: class 4.71 out of 5, teacher 4.65 out of 5 (UTD), 9.3 out of 10 class and teacher (WashU).

Served as Faculty advisor to the Purdue Student Managed Investment Fund (2007 - 2009)

Served as committee member for the following PhD students: Matt Cain (2007 Notre Dame), Rachel Diana (2009 Penn State), Nestor Rodriguez (2010 Purdue, Agricultural Economics), Jong Min Oh (2015 University of Central Florida), Amir Zemoodeh (2018 CitiBank, co-chair), Rupp Anin (2019, Chiang Main University).

Professional Service

Editorial Advisory Board: FMA Survey & Synthesis Series.

Best Paper Award Committee: FMA Derivatives.

Conference program committee: SFS Finance Cavalcade (2012 -), European Finance Association (2012 -), Financial Management Association (2013 - 2018), Midwest Finance Association (2020 -), Texas Finance Festival (2016 - 2018), SFS Finance Cavalcade Asia (2017 -), Northern Finance Association (2018 -).

Ad-hoc referee: Annals of Finance, Critical Finance Review, Economic Notes, Financial Review, Journal of Banking and Finance, Journal of Finance, Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of Financial Markets, Journal of Financial Research, Journal of Futures Markets, Management Science, Review of Asset Pricing Studies, Review of Corporate Finance Studies, Review of Finance, Review of Financial Studies.

Grant reviewer: National Science Foundation, Hong Kong Research Grant Council

Conference and Seminar Presentations

2004: European Finance Association, Purdue University

2005: UCLA, NBER Behavioral Finance

2006: American Finance Association, European Finance Association, University of Kansas

2007: IU-Notre Dame-Purdue Finance Festival, Swiss Finance Institute

2008: Barclay's Global Investors, BSI Gamma Foundation, IU-Notre Dame-Purdue Finance Festival

2009: Universidade Catolica Portuguesa in Lisbon, Yale Financial Crisis Conference

2010: Bocconi, Cornell, EIEF, HEC Paris, Lugano, Miami, Norwegian School of Economics and Business Administration, Nova University of Lisbon, Temple, University of Virginia and University of Washington, Finance Research Association Conference

2011: UT Austin

2012: European Finance Association, First Itam Finance Conference, American University, Federal Reserve Bank of Chicago, Federal Reserve Board, George Mason University, University of California at Riverside, Imperial College London, University of Melbourne, University of Oregon, University of South Carolina, New South Whales University, Southern Methodist University, Texas A&M, University of Texas at Dallas

2013: American Economics Association, American Finance Association, Western Finance Association, McGill International Finance Conference, Texas Lone Star

2014: American Finance Association, DePaul University, Texas Tech University, Western Finance Association

2016: Financial Management Association

2017: Texas Lone Star, 8^{th} Tel Aviv Finance Conference

2018: Texas Tech University, NBER Summer Institute, Itam Finance Conference, Telfer Conference on Accounting and Finance

Invited Discussions

2007: European Finance Association, Zurich

2009: 16th Mitsui Life Symposium on Financial (In)Stability, Ann Arbor

2011: Sun Trust FSU Spring Beach Festival, Sandestin

2013: Australasian Banking and Finance Conference, Sydney

2016: Fifth Symposium on Emerging Financial Markets, Hong Kong; IFSID Fifth Derivative Conference, Montreal

2018: Telfer Conference on Accounting and Finance

2019: Risk Management and Financial Innovation Conference, Northern Finance Association

2020: American Finance Association, Midwest Finance Association, SFS Cavalcade

Awards and Honors

BlackRock Prize for best paper presented at the Australasian Banking and Finance Conference (2013)

BSI Gamma Foundation Research Grant (2008)

CIBER Purdue International Research and Curriculum Development Award (2006)

UCLA Regents Fellowship (2001-2004)

University of Verona Post-Doctoral Research Fellowship (2002)

University of Brescia Fellowship (1998-2001)

Research Grant in the Field of Finance (Banca Popolare di Verona, 1999-2000)

Industry Experience

Associate at Credit Suisse First Boston (2001): proprietary equity trading desk, London.

Consulting projects:

- Unicredit (2003): helped developing and implementing a model to price the recovery value of defaulted commercial loans
- Dorchester Capital (2004): developed a statistical model to evaluate the value added by hedge fund managers through market timing and style picking

Litigation consulting:

- Served as an expert witness in securities litigations pertaining auction rate securities, student loans backed securities, and term structure of interest rates (2009 – present)