

# Taiya Sikorskaya

PhD Candidate in Finance

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Research Interests    Asset Pricing, Financial Intermediaries, Asset Management

Education            **London Business School (LBS), United Kingdom**

PhD in Finance, 2017 - present

**London Business School (LBS), United Kingdom**

MRes in Finance, 2017 - 2019

**University of St. Gallen, Switzerland**

MA in Quantitative Economics and Finance, 2017

**Chelyabinsk State University, Russia**

Diplom (MSc equivalent) in Mathematical Methods in Economics and Operations Research, 2013

Published Papers    **Benchmarking Intensity** (with A. Pavlova). Forthcoming in the *Review of Financial Studies*  
Benchmarking incentivizes fund managers to invest a fraction of their funds' assets in their benchmark indices, and such demand is inelastic. We construct a measure of inelastic demand a stock attracts, benchmarking intensity (BMI), computed as its cumulative weight in all benchmarks, weighted by assets following each benchmark. Exploiting the Russell 1000/2000 cutoff, we show that changes in stocks' BMIs instrument for changes in ownership of benchmarked investors. The resulting demand elasticities are low. We document that both active and passive fund managers buy additions to their benchmarks and sell deletions. Finally, an increase in BMI lowers future stock returns.

Working Papers      **Two APs Are Better Than One: ETF Mispricing and Primary Market Participation**  
(with E. Gorbatikov)

Exchange-traded funds (ETFs) depend on arbitrageurs to correct deviations between a fund's price and its fair value. ETFs have designated brokers, or authorized participants (APs), who have a unique right to create and redeem ETF shares, and who can thus trade on ETF mispricing without risk. Using novel regulatory filings, we provide the first description of the US ETF-AP network. It has a dense core and a sparse periphery, and the observed creation/redemption volumes are highly concentrated. The level of mispricing in a US equity ETF is negatively related to the fund's primary market diversity, especially during times of high market volatility. Funds that share more APs exhibit stronger mispricing comovement. We theoretically show that diverse primary markets help mitigate the effect of shocks to AP-specific arbitrage costs. We highlight the importance of AP balance sheet usage costs in ETF markets by exploiting the Federal Reserve's purchases of bond ETFs in 2020.

**Retail Trading in Options and the Rise of the Big Three Wholesalers**

(with S. Bryzgalova and A. Pavlova)

We document rapid increases in (i) retail trading in options and (ii) payment for order flow (PFOF), received by the U.S. retail brokerages from the so-called wholesalers in exchange for routing orders to them. Nearly 90% of PFOF comes from three wholesalers. Exploiting new flags in transaction-level data, we isolate wholesaler trades and build a novel measure of retail options trading. Our measure comoves with equity-based retail activity proxies and drops significantly during U.S. brokerage platform outages and trading restrictions. Retail investors prefer cheaper, weekly options, with the average bid-ask spread of a whopping 12.6%, and lose money on average.

Work in Progress    **Heterogeneous Inflation Expectations and Market Dynamics** (with G. Pinter)

Academic Presentations	<p><b>2022:</b> AFA (2x), Bank of America*, Cambridge Centre for Alternative Finance, CDI Annual Conference on Derivatives*, Chicago Fed, Florida International University*, Indiana University*, London Business School, Miami Behavioral Finance Conference*, Microstructure Exchange, NBER Asset Pricing Spring Meeting*, NBER Behavioral Finance*, NFA*, Queen Mary University of London*, Stockholm Business School*, Tel Aviv Finance Conference*, TMX Group, University of Indiana*, University of Central Florida*, University of Hong Kong*, Virtual Derivatives Workshop, YSFC*</p> <p><b>2021:</b> Adam Smith Workshop*, ASSA Meetings, EFA, European Winter Finance Conference, FMA*, INSEAD Finance Symposium*, London Business School, MFA, NBER Behavioral Finance*, NFA, SFS Cavalcade North America, University of Bath, Vienna Graduate School of Finance*, WSIR</p> <p><b>2021:</b> Adam Smith Workshop*, ASSA Meetings, EFA, European Winter Finance Conference, FMA*, INSEAD Finance Symposium*, London Business School, MFA, NBER Behavioral Finance*, NFA, SFS Cavalcade North America, University of Bath, Vienna Graduate School of Finance*, WSIR</p> <p><b>2020:</b> London Business School</p> <p>* <i>Presentations by co-authors.</i></p>		
Teaching Experience	<p><b>LBS - INEOS Executive Education Program</b> Finance, Assistant to Prof. Anna Pavlova, 2022 Mean evaluation 4.6/5.0</p> <p><b>LBS Empirical Asset Pricing, PhD</b> Assistant to Prof. Svetlana Bryzgalova, 2019-2021</p> <p><b>LBS - MBA</b> Finance II, Assistant to Prof. Howard Kung, 2020-2021 Finance I, Assistant to Prof. Anna Pavlova, 2018-2020</p> <p><b>LBS - Masters</b> Personal Finance, Assistant to Prof. Francisco Gomes, 2019-2021 FinTech and the Financial Services Industry Transformation, Assistant to Prof. Narayan Naik, 2018</p> <p><b>LBS - Sberbank Executive Education Program</b> Project Appraisal and Corporate Valuation, Assistant to Prof. Anna Pavlova, 2018-2020 Financial Statements Analysis, Assistant to Prof. Alastair Lawrence, 2018-2020 Macroeconomics, Assistant to Prof. Andrew Scott and Prof. Elias Papaioannou, 2018-2020</p>		
Additional Research Experience	<p><b>London School of Economics</b> Research Assistant to Prof. Dimitri Vayanos, 2020-2021</p> <p><b>London Business School</b> Research Assistant to Prof. Svetlana Bryzgalova, 2020</p>		
Work Experience	<p><b>Bank of England, London, UK</b> PhD Intern, 2021-2022</p> <p><b>ThirdYear Capital GmbH, Munich, Germany</b> Global Macro Analysis Intern, 2017</p> <p><b>Deutsche Asset Management, Deutsche Bank Switzerland and UK</b> Assistant Portfolio Manager, Credit and ETF Portfolio Management, 2014-2016</p>		
Professional Service	<p>Organization of Finance PhD seminars and reading groups at LBS, 2019-2021 Organization of Finance Junior Faculty and PhD Students reading group at LBS, 2019-2021 Organization of the Trans-Atlantic Doctoral Conference 2019, London</p>		
Awards and Honours	<p>Professor Sir James Ball PhD Award, London Business School, 2021 Fellowship for Doctoral Students, London Business School, 2017-2022 The STARR International Foundation Grant, Switzerland, 2013-2014 The President of Russia Award for Outstanding Students (awarded twice), 2012 The City Administration Award (Chelyabinsk, Russia), 2010</p>		
Other	<p><b>Languages:</b> Russian (native), English (proficient), German (intermediate) <b>Programming:</b> R, SAS, Python, Stata, MATLAB, Julia, VBA, SQL <b>Certifications:</b> Completed Level III of CFA examination in 2016</p>		
References	<table border="0"> <tr> <td style="vertical-align: top;"> <p><b>Anna Pavlova (advisor)</b> Professor of Finance London Business School +44 (0)20 7000 8218 apavlova@london.edu</p> </td> <td style="vertical-align: top;"> <p><b>Svetlana Bryzgalova</b> Assistant Professor of Finance London Business School +44 (0)20 7000 8292 sbryzgalova@london.edu</p> </td> </tr> </table>	<p><b>Anna Pavlova (advisor)</b> Professor of Finance London Business School +44 (0)20 7000 8218 apavlova@london.edu</p>	<p><b>Svetlana Bryzgalova</b> Assistant Professor of Finance London Business School +44 (0)20 7000 8292 sbryzgalova@london.edu</p>
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