GIULIO ROSSETTI

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EDUCATION

University of Warwick - WBS PhD Finance and Econometrics *2019 - Present*
University of Warwick - WBS MSc Finance (Distinction) *2016 - 2018*
University of Udine BSc Accounting and Finance (cum laude) *2013 - 2016*

RESEARCH INTERESTS

Asset Pricing, Financial Econometrics

WORKING PAPERS

1. **On the statistical properties of tests of parameter restrictions in beta-pricing models with a large number of assets** *with A. Andriollo and C. Robotti*
   We study the size and power properties of t-tests of parameter restrictions for newly designed methods that aim at reliably estimating risk premia in linear asset pricing models when the cross-sectional dimension is large. By simulating a variety of empirically calibrated data generating processes for sample sizes that are typically encountered in empirical work, we evaluate the finite-sample performance of the test statistics for scenarios where the factor structure is (i) strong and pervasive; (ii) spurious; (iii) weak/semi-strong and pervasive; (iv) weak/semi-strong and not pervasive; and (v) sparse. PCA-based methods such as those of Lettau and Pelger (2020), Giglio and Xiu (2021), and Giglio et al. (2022) work best when the factors are strong and pervasive, and they continue to exhibit good finite-sample properties when the factors are spurious. However, when the factor structure is semi-strong and pervasive, the splitsample estimator of Anatolyev and Mikusheva (2021) performs substantially better than the PCA-based estimators listed above. In the case of sparse loadings or when the factors are semi-strong and not pervasive, none of the candidate methods displays satisfactory finite-sample properties.

2. **It's all noise: return-based corporate bond anomalies** *with A. Dickerson and C. Robotti*
   We argue that the documented large abnormal returns to investors from corporate bond anomalies such as return reversals and momentum mainly stem from ignoring market microstructure noise in transaction-based bond prices and relying on ad hoc return winsorization. To address these issues, we construct bond data that is largely free of microstructure noise and closely mimics industry-grade quote data. We revisit prior findings in the literature and provide conclusive evidence that return-based anomalies, once properly constructed, generate negligible average returns and alphas. Finally, we show that the considered return-based factors (and their underlying signals) are not related to average bond returns.

WORKS IN PROGRESS

1. **Bond return predictability and anchoring biases**
2. **Model comparison with traded, nontraded, and latent factors**

ACADEMIC AND WORKING EXPERIENCE

University of Warwick, WBS *2020- Present*
Teaching assistant
Financial Management *2020- Present*

Principal of Finance 1 *2021- Present*
Foundation of Financial Management *2021- Present*

FinInt Investments SGR *2018- 2019*
Equity Analyst

CONFERENCE AND SEMINAR PRESENTATIONS

2023 SoFiE Annual Conference* (Seoul), Lancaster-Manchester PhD Workshop on Financial Econometrics (Lancaster), Warwick-Turing Economics Data Science Workshop* (Coventry), WBS PhD Seminar Series (Coventry)

2022 WBS Brownbag Seminar Series (Coventry), Warwick Macro and International Economic Group Seminar* (Coventry)

* presentation by co-author

AWARDS AND SCHOLARSHIPS

Doctoral Scholarship University of Warwick, WBS
Teaching Excellence Certificate University of Warwick, WBS *2021- 2022*
Award for Outstanding Contribution to Teaching University of Warwick, WBS *2022- 2023*

SKILLS

Software & Tools Python, MATLAB, git, LaTeX, Julia, STATA, VBA
Languages Italian (native), English (fluent)

REFERENCES

Prof. Cesare Robotti
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Prof. Philippe Mueller
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