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CONTACT AND PERSONAL INFORMATION

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| <i>Citizenship:</i> Cypriot, Turkish | <i>Date of Birth:</i> | 3 July 1990 |

DOCTORAL STUDIES

Ph.D. in Economics, University of Cambridge, 2012 to present

Thesis title: "Essays on Sovereign Debt and Financial Economics"

Expected Completion Date: June 2017

Thesis Committee and References:

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RESEARCH AND TEACHING FIELDS

Primary fields: Macroeconomics, International Finance

Secondary fields: Monetary Economics, Banking

RESEARCH PAPERS

“Sovereign Risk and Bank Risk-Taking” JOB MARKET PAPER

Abstract: In European countries recently hit by a sovereign debt crisis, banks have sharply raised their holdings of domestic sovereign debt, reduced credit to firms, and faced rising financing costs, raising concerns about economic and financial resilience. This paper develops a general equilibrium model with optimizing banks and depositors to account for these facts and provide a framework for policy assessment. Under-capitalized banks in default-risky countries have an incentive to gamble on domestic sovereign bonds. Unless there is perfect transparency of bank balance sheets, the optimal reaction by depositors to bank insolvency risk leaves the economy susceptible to self-fulfilling shifts in sentiments. In a bad equilibrium, sovereign risk shocks lead to a prolonged period of financial fragility and a persistent drop in output. The model is quantified using Portuguese data and generates similar dynamics to those observed in the Portuguese economy during the debt crisis. Policy interventions face a trade-off between alleviating funding constraints and strengthening incentives to gamble. Liquidity provision to banks may eliminate the good equilibrium when not targeted. Targeted interventions have the capacity to eliminate adverse equilibria.

Awards: 2015 Klaus Liebscher Award, UniCredit & Universities MBF Best Paper Award, Best Article in International Macro Award at RIEF Florence 2016, Cambridge Finance Best Student Paper Prize, shortlisted for Young Economist Award at the Third ECB Forum on Central Banking (Sintra)

“When Shadows Grow Longer: Shadow Banking with Endogenous Entry” *ECB Working Paper No. 1943*

(joint with Christoffer Kok, Matthieu Darracq Paries and Dawid Zochowski)

Abstract: Why did the shadow banking sectors in the US and the euro area expand in the decade before the financial crisis and what are the implications for systemic risk and macro-prudential policy? This paper examines these issues with a model of the financial sector where the size of the shadow banking sector is endogenous. In the model, shadow banking is an alternative banking strategy which involves greater risk-taking at the expense of being exposed to “fundamental runs” on the funding side. When such runs occur, shadow banks liquidate their assets in a secondary market. Entry into shadow banking is profitable when traditional banks provide sufficient secondary market demand to prevent a fire-sale. During periods of stability, the shadow banking sector expands to an excessively large size that ferments systemic risk. Its collapse then triggers a fire-sale that renders traditional banks vulnerable to “liquidity runs”. The prospect of liquidity runs undermines market discipline and increases the risk-taking incentives of traditional banks. Policy interventions aimed at alleviating the fire-sale fuel further expansion of the shadow banking sector. Financial stability is achieved with a Pigouvian tax on shadow bank profits.

OTHER PUBLICATIONS

“Lessons from Cyprus that did not make it to Greece” *Short article on VoxEU.org*

(joint with Andria Lysiotou and Giancarlo Corsetti)

“A Dynamic Economic and Monetary Union (ADEMU) Conference Proceedings” (joint with Simon Lloyd)

TEACHING EXPERIENCE

2015-2016 Teaching Assistant, M200 Macroeconomics, Univ. of Cambridge (Graduate)

2013-2015 Teaching Fellow, Macroeconomics Part 2B, Univ. of Cambridge (Undergraduate, teaching award)

2013-2014 College Teaching Associate, Fitzwilliam College, Univ. of Cambridge (Undergraduate)

RESEARCH AND PROFESSIONAL EXPERIENCE

Since 2013 Research Assistant for Prof. Giancarlo Corsetti, University of Cambridge

Jun-Dec 2014 PhD Intern, DG-MF Macro-Financial Linkages, European Central Bank

Summer 2010 Summer Intern, Credit Risk, Barclays Capital

HONORS, SCHOLARSHIPS AND FELLOWSHIPS

2016 Lamfalussy Research Fellowship

Keynes Fund Research Grant

2015 Royal Economic Society Junior Fellowship

Klaus Liebscher Award

Tudor Studentship

2014 Faculty Prize for Best Teaching Fellow

Cambridge-INET Institute Scholarship

Wrenbury Scholarship

2012 Wolfson College Studentship

2011 European Union Graduate Scholarship

CONFERENCE AND SEMINAR PRESENTATIONS

2016 SED Annual Meeting (Toulouse); Third ECB Forum on Central Banking (Sintra); EEA-ESEM Annual Congress (Geneva); Workshop on non-standard monetary policy measures (European Central Bank); 16th RIEF Doctoral Meetings (EUI); RES Symposium of Junior Researchers (Sussex); Cambridge Macro Workshop

2015 XX Workshop on Dynamic Macroeconomics (Vigo); UniCredit & Universities 3rd Workshop on Macro, Banking and Finance (Pavia); 43rd Economics Conference (Austrian Nationalbank); EDGE Jamboree (Marseille); Cambridge Macro Workshop; Young Economists' Meeting (Brno)

2014 European Central Bank DG-Research Seminar; Pierre Werner PhD Workshop (Luxembourg)

PRE-DOCTORAL STUDIES

2011-2012 MPhil in Economics (with Distinction), University of Cambridge

2008-2011 BA in Economics, Peterhouse, University of Cambridge

SKILLS

Language Turkish (native), English (fluent), German (conversational)

Software \LaTeX , MATLAB, STATA, Microsoft Office