



**INFORMATIONS
PRATIQUES**

FORMAT
Face to face

MODE DE PARTICIPATION
Paris
Royal Bank of Scotland
entrée 96 bd Haussmann
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Le Mardi 01 Décembre
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Royal Bank of Scotland
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PARTICIPATION
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Morning

Matinale Recherche - Who supplies liquidity, how and when? avec Fany Declerck

**Matinale Recherche - Le Mardi 01 Décembre 2015 de 8h30 à
10h00**

Who supplies liquidity, how and when?

Intervenante:

Fany Declerck, Professor of Finance and Research Fellow at the Toulouse School of Economics (TSE)

Inscription

Invitation

Who provides liquidity in modern, electronic limit order book, markets? Agency trading constrained by conflicts of interest and information asymmetry (customers vs traders)? Prop traders, likely to be less constrained and thus better positioned to carry inventory risk? Slow traders with limit orders that may be exposed to severe adverse selection? Fast trading technology can improve trader's ability to monitor the market and avoid being picked off. To shed light on these points, Fany Declerck, relying on unique data from Euronext and the AMF, observes the connectivity of traders to the market. Her study finds that proprietary traders, be they fast or slow, provide liquidity with contrarian marketable orders, thus helping the market absorb shocks, even during crisis, and earn profits doing so. Moreover, fast traders provide liquidity by leaving limit orders in the book. Yet, only prop traders can do so without making losses. This suggests that technology is not enough to overcome adverse selection, monitoring incentives are also needed.

Fany Declerck is Professor of Finance at the IAE School of Management (University of Toulouse 1 Capitole) and Research Fellow at the Toulouse School of Economics, and the Institut d'économie industrielle.

After her master in econometrics and a Phd in finance, she spent 3 months as Marie Curie fellow at the Centre for Studies in Economics and Finance (University of Salerno). She was on visiting position at Carnegie Mellon University (2014-2015), the Banque de France (May 2014), the Haas School of Business at Berkeley University (May 2013), and Euronext Paris (1999-2000).

Her research studies the microstructure of financial markets by relying on large stocks and bonds high-frequency databases. She has published in the Journal of Financial Markets. She is involved in the "Trading and Post-trading" ERC obtained by Bruno Biais from TSE.

In 2014 she received a CNRS international mobility grant, in 2013 a research Prize EIF (Europlace Institute of Finance). She teaches about corporate finance, empirical finance, and financial markets. She is director of the Ph.D.

program in management sciences.

Participation : 75 euros