Taisiya Sikorskaya

Assistant Professor of Finance

University of Chicago Booth School of Business ⋄ 5807 South Woodlawn Avenue, Chicago, Illinois 60637

Academic Positions	**University of Chicago Booth School of Business, United States** Assistant Professor of Finance, 2024 - present
Education	**London Business School, United Kingdom** PhD in Finance, 2024 **London Business School, United Kingdom** MRes in Finance, 2019 **University of St. Gallen, Switzerland** MA in Quantitative Economics and Finance, 2017 **Chelyabinsk State University, Russia** Diplom (MSc) in Mathematical Methods in Economics and Operations Research, 2013. *Distinction*
Refereeing	Journal of Finance; Journal of Financial and Quantitative Analysis; Journal of Empirical Finance; Management Science; Review of Finance; Review of Financial Studies
Program Committee	SFS Cavalcade North America, Western Finance Association

Published Papers

Strategic Arbitrage in Segmented Markets (with S. Bryzgalova and A. Pavlova).
Forthcoming in *The Journal of Financial Economics.*
We propose a model in which arbitrageurs act strategically in markets with entry costs. In a repeated game, arbitrageurs choose to specialize in some markets, which leads to the highest combined profits. We present evidence consistent with our theory from the options market, in which suboptimally un-exercised options create arbitrage opportunities for intermediaries. Using transaction-level data, we identify the corresponding arbitrage trades. Consistent with the model, only 57% of these opportunities attract entry by arbitrageurs. Of those that do, 49% attract only one arbitrageur. Finally, our paper details how market participants circumvent a regulation devised to curtail this arbitrage strategy. (Subsumes 'Profiting from Investor Mistakes: Evidence from Suboptimal Option Exercise.')
Received: Colorado Finance Summit Best Paper Award (2023)
Media mentions: Risk.net (2024)

Retail Trading in Options and the Rise of the Big Three Wholesalers
(with S. Bryzgalova and A. Pavlova). *The Journal of Finance, 78(6), 2023, pp. 3465-3514.*
We document a rapid increase in retail trading in options in the U.S. Facilitated by payment for order flow (PFOF) from wholesalers executing retail orders, retail trading recently reached over 60% of the total market volume. 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.
Media mentions: Bloomberg (2022), Bloomberg Opinion (2023), Bloomberg What Goes Up podcast (2022), FT Letters to the Editor (2023), The Economist (2023), The Wall Street Journal (live, 2023), Traders Magazine (2023), Risk.net (2022)

Benchmarking Intensity (with A. Pavlova).
The Review of Financial Studies, 36(3), 2023, pp. 859–903. **Editor's Choice.**
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	**Institutional Investors, Securities Lending, and Short-Selling Constraints**

Institutions facilitate short-selling by lending from their holdings, but what they hold is endogenous. This paper examines how institutional demand, driven by investment mandates (benchmarking), affects short-selling. In a model where benchmarked managers lend from their holdings, both lending supply and equilibrium price are higher for the benchmark asset, and so is shorting demand (due to inflated price). A quasi-experiment using Russell index reconstitution shows that stocks with more benchmarked capital have greater lending supply and demand. Ultimately, such stocks are *costlier* to short. In theory and data, results are driven by incomplete pass-through from institutional holdings to lending supply.

Received: European Economic Association Econ Job Market Best Paper Award (2023), Top Finance Graduate Award (2024)

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.

Media mentions: Bloomberg (2023)

Academic Presentations (external)	**2025:** Princeton University

2024: Adam Smith Workshop, AFA, ASSA Meetings, Bank of Canada, BI-SHoF conference*, Bristol University*, CEMFI Big Data in Asset Management workshop*, Columbia Business School, Cornell University, Duke's Fuqua School of Business, EFA*, ESSEC*, FIRS, Harvard Business School, HEC Paris, HKU*, HKUST*, Houston University*, King's College*, London School of Economics, New York Fed*, NTU*, NUS*, NYU Stern School of Business, Purdue University, SMU*, Stanford Graduate School of Business, Stockholm Business School*, Temple University*, University of Central Florida*, University of Chicago Booth School of Business, University of Washington*, USC Marshall School of Business, UC Irvine*, UCL*, UCLA*, UT Austin McCombs School of Business, Virtual Derivatives Workshop*, Wharton School of the University of Pennsylvania, World Symposium on Investment Research, Yale School of Management

2023: AFA*, Bayes Business School*, Colorado Finance Summit*, Dauphine Finance PhD Workshop, HEC PhD Workshop on Incentives in Finance, Indiana University*, Junior Academic Research Seminar in Finance, NBER Asset Pricing Fall Meeting*, NFA, Q Group Spring Seminar*, SAFE Market Microstructure Conference, TADC, The Microstructure Exchange, Women in Microstructure Meeting, U.S. Securities and Exchange Commission*, USC Marshall PhD Conference in Finance, Vanguard seminar*

2022: AFA (video), AFA*, Bank of America*, Cambridge Centre for Alternative Finance, CDI Annual Conference on Derivatives*, Chicago Fed, Florida International University*, Indiana University*, London Quant Group*, Miami Behavioral Finance Conference*, NBER Asset Pricing Spring Meeting*, NBER Behavioral Finance*, NFA*, Queen Mary University of London*, Stockholm Business School*, Tel Aviv Finance Conference*, The Microstructure Exchange (video), TMX Group, University of Central Florida*, University of Hong Kong*, University of Notre Dame*, Virtual Derivatives Workshop (video), YSFC*

2021: Adam Smith Workshop*, ASSA Meetings, EFA, European Winter Finance Conference, FMA*, INSEAD Finance Symposium*, MFA, NBER Behavioral Finance Spring Meeting*, NFA, SFS Cavalcade North America, University of Bath, Vienna Graduate School of Finance*, World Symposium on Investment Research

* *Presentations by co-authors.*

Awards and Honours	Top Finance Graduate Award, 2024
	Colorado Finance Summit Best Paper Award, 2023
	European Economic Association Econ JM Best Paper Award, 2023
	AQR Asset Management Institute Fellowship Award, 2022
	Professor Sir James Ball PhD Award, London Business School, 2021
	Fellowship for Doctoral Students, London Business School, 2017-2023
	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
Other Work Experience	**Bank of England, London, UK**
	PhD Intern (part-time), 08/2021–04/2022
	London Business School
	Teaching Assistant (part-time), 2018–2021
	London School of Economics
	Research Assistant to Prof. Dimitri Vayanos (part-time), 2020-2021
	London Business School
	Research Assistant to Prof. Svetlana Bryzgalova (part-time), 2020
	ThirdYear Capital GmbH, Munich, Germany
	Global Macro Analysis Intern, 01/2017–04/2017
	Deutsche Asset Management, Deutsche Bank UK
	Assistant Portfolio Manager, ETF Portfolio Management, 10/2015–09/2016
	Deutsche Asset Management, Deutsche Bank Switzerland
	Working Student (part-time), Credit Portfolio Management, 10/2014–10/2015
Other	**Languages:** Russian (native), English (proficient), German (intermediate)
	Certifications: Completed Level III of CFA examination in 2016