

GIULIA BRANCACCIO

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Undergraduate Studies

Bocconi University - Milan (Italy): M.Sc. in Economics, summa cum laude, 2012

Bocconi University - Milan (Italy): B.A. in Economics, summa cum laude, 2010

Graduate Studies

Princeton University, 2012 to present

Ph.D. Candidate in Economics

Thesis Title: "Essays on Decentralized Markets"

Expected Completion Date: June 2018

M.A. Economics, Princeton University, 2014

References

Bo E. Honoré
Department of Economics
Princeton University
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Myrto Kalouptsi
Department of Economics
Harvard University
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Phone: +1 (617) 496-0832

Jakub Kastl
Department of Economics
Princeton University
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Teaching and Research Fields

Primary Fields: Industrial Organization

Secondary Fields: Econometrics, Economic Theory

Research Experience

2015 Research Assistant to Sylvain Chassang, Economics Department,
Princeton University

2015 Research Assistant to Myrto Kalouptsi, Economics Department,
Princeton University

2014 Research Assistant to Bo Honore, Economics Department,
Princeton University

Teaching Experience

Econometric Theory II (Graduate), with Professor Mark Watson,
Princeton University, Spring 2015

Econometric Theory I (Graduate), with Professors Bo Honore and Ulrich Mueller,
Princeton University, Fall 2014

Fellowships, Grants, and Awards

- 2015 Marimar and Cristina Torres Award for best 3rd year paper, Princeton University
- 2016 Dissertation fellowship, Board of Governors of the Federal Reserve System in Washington D.C.
- 2016 Charlotte Elizabeth Procter Fellowship, Princeton University

Job Market Paper

“Learning by Trading: The Case of the US Market for Municipal Bonds” (with Dan Li and Norman Schürhoff)

Abstract: In markets where public information about fundamentals is limited, and trade takes place under conditions of asymmetric information, agents may rely on their trading activity to acquire information about the state of market fundamentals. Information acquisition, therefore, becomes an additional motive for trade. In this paper, we use a combination of reduced-form techniques and structural analysis to characterize and measure experimentation motives for trade in the U.S. secondary market for municipal bonds. First, we provide reduced-form evidence that experimentation is a first-order motive for trade. To rationalize these facts, we design a dynamic model of trade in this market that allows for linkages between trading activity and information acquisition (i.e., experimentation). The model is estimated using detailed micro-data on trading activity on the secondary market for municipal bonds. We use the model to characterize the incentives to experiment. We find that dealers are willing to pay up to 15% of the intermediation spread to double the precision of their information about the state of fundamentals. Furthermore, we show that experimentation allows dealers to increase the precision of their estimate of the asset’s value by 25%, and we characterize the process of information diffusion across agents. Finally, we find that experimentation explains up to 10% of the volume of trade in the market.

Working Papers

“Geography, Search Frictions and Trade Costs” (with Myrto Kalouptsi and Theodore Papageorgiou)
Revise and Resubmit, *Econometrica*

Abstract: We build a framework that models the behavior of both exporters and transportation agents (ships); its spatial equilibrium determines world trade costs and flows. Our framework has two novel features: (i) trade costs are endogenous and determined jointly with trade flows and as a result they depend on the entire network of trade linkages across countries; (ii) search frictions between exporters and ships limit trade. The model features geography, search frictions, and forward-looking optimizing ships and exporters. We collect a unique dataset of shipping contracts, global vessel movements from satellites and sea weather conditions. The data reveal large trade imbalances and asymmetric trade costs. We provide an empirical strategy to flexibly obtain the matching process between ships and exporters in a setup where searching exporters are unobserved and the researcher takes no stance on the presence of search frictions. Our estimated framework is then used to address a number of questions: What are the world trade elasticities with respect to transport costs? How do shocks propagate through the network of countries? We consider the impact of a slow-down in China as well as the opening of the Northwest Passage. Finally, we quantify the trade lost due to search frictions.