

Dr. Hulusi Bahcivan

DIRECTOR OF RISK MANAGEMENT · BNP PARIBAS - TEB INVESTMENT JV
PART-TIME FINANCE FACULTY & SENIOR RESEARCH FELLOW (CARF) · BOGAZICI UNIVERSITY

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Academic Appointments

Bogazici University - Department of Management

PART-TIME FINANCE FACULTY

Istanbul - Turkey

Feb. 2023 - Jun. 2023 & Feb. 2024 - Present

Bogazici University - Center for Applied Research in Finance (CARF)

SENIOR RESEARCH FELLOW

Istanbul - Turkey

Mar. 2021 - Jan. 2022 & Feb. 2023 - Present

Istanbul Bilgi University - Economics and Finance

PART-TIME FINANCE FACULTY

Istanbul - Turkey

Summer (Jul. 2023 - Sep. 2023)

University of Groningen - SOM Research Institute

POSTDOC RESEARCH FELLOW

Groningen - The Netherlands

Jan. 2022 - Feb. 2023

- Working Paper: Investor Overreaction, Overnight Price Jumps and Return Predictability in US Stock Markets
- Working Paper: Market Ambiguity and Mispricing in S&P500 Futures Contracts

Bogazici University

STUDENT ASSISTANT

Istanbul - Turkey

Sep. 2007 - Jan. 2008

- Course: Europe Customs Union & Turkey (Project: Turkey's Energy Sector in the Context of EU Accession)

Degrees Awarded

Bogazici University

PHD IN FINANCE

Istanbul - Turkey

Sep. 2015 - Mar. 2021

- Dissertation: Intraday Correlation Dynamics in Borsa Istanbul Using Score-Driven Kalman Filtering
- Advisor: Assoc. Prof. Cenk C. Karahan

Galatasaray University

MA IN FINANCIAL ECONOMICS

Istanbul - Turkey

Sep. 2011 - Jun. 2012

- High Honors List

Bogazici University

BA IN ECONOMICS

Istanbul - Turkey

Sep. 2004 - Jul. 2009

- Honors List

Areas of Special Interest

Empirical Asset Pricing, Risk & Portfolio Management, Applied Financial Econometrics, Financial Markets, Behavioral Finance, Quantitative Finance, Macro-finance, State-Space Modelling

Research

PUBLISHED

Bahcivan, H., Karahan C., C. 2022. High frequency correlation dynamics and day-of-the-week effect: A score-driven approach in an emerging market stock exchange. *International Review of Financial Analysis*, 80, 102008.

Bahcivan, H., 2020. Epps Effect still existent: Differing unconditional correlation behaviors for inter-sector stock pairs. *International Journal of Disciplines Economics & Administrative Sciences Studies*, 6(24), 797-805.

WORKING PAPERS

New Avenues in Expected Returns: Investor Overreaction and Overnight Price Jumps in US Stock Markets

(with Lammertjan Dam & Halit Gonenc)

Abstract

Using 9,283 stocks listed on NYSE, AMEX, and NASDAQ, we analyze overnight price jumps and report short-term investor overreaction to information shocks, and document return reversal and predictability for up to five days. For negative and positive overnight jumps, results are significant and robust to various model specifications. In the cross-section, the degree of reversal is considerably larger for stocks that are less costly to arbitrage. In contrast to this overreaction, a zero-cost contrarian trading strategy with extreme decile portfolios -shaped according to lagged jump returns- incurs 0.6% of risk-adjusted loss in 1-month investment horizon. Together, these connote that documented overreaction and return reversal are short-term market phenomena. The novel findings for jump stocks also build a new avenue for overnight and intraday expected returns in the recently renowned *tug of war* literature which relies on investor heterogeneity. We show that jump stocks have significantly different abnormal returns than non-jump stocks in both overnight and intraday components for the next month. Our study stands at the intersection of overreaction, jump, and return predictability literature by paying special attention to investor behaviours around price discontinuities and post-shock return dynamics.

Market Ambiguity and Mispricing in S&P500 Futures Contracts

(with Cenk C. Karahan)

Abstract

We empirically unveil the effect of having multiple priors on mispricing in the market where mean-variance optimization and the Bayesian approach do not have any say. We show that the level of mispricing in S&P500 E-Mini futures contracts is also linked to the degree of prevailing market ambiguity. Crucial findings are in order: First, our study unearths how different levels of Knightian uncertainty impact the direction and level of mispricing in US futures markets. Second, profound analysis reveals an asymmetric outlook for episodes of market euphoria and unrest. Third, we identify the primary channels through which ambiguity permeates the market. Findings are robust to different ambiguity measurement techniques. Extant literature on marred prospects and market implications rests heavily on experimental data. This study expands on recently burgeoning thin literature that is built upon market data.

ONGOING

1- Discontinuity-induced Circuit Breaker and Price Efficiency in Stock Markets

2- Role of Ambiguity in Investor Overreaction Around Information Shocks (with Cenk C. Karahan & Merve G. Cevheroglu)

3-Invisible Hand on Correlations: Portfolio Rebalancing

Teaching Experience

Feb. 2024 - Jun. 2024	Bogazici University - Department of Management Financial Risk Management (AD468 - BA Course)
Feb. 2023 - Jun. 2023	Special Topics in Financial Modeling (AD59D.01 - PhD Course)

Jul. 2023 - Sep. 2023	Istanbul Bilgi University - Faculty of Management Advanced Statistics for Business (BUS274 - BA Course) Introduction to Econometrics (EC361 - BA Course)
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Mar. 2022	University of Groningen - Guest Lecture Capital Markets Ecosystem and Dynamics of Equity Markets
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2011-2012	Borsa Istanbul Exchange Group Applied Capital Markets Education
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Professional Experience

- 09.2023 - Present **Director of Risk Management** BNP Paribas - TEB Investment Joint Venture
Broadly, playing a pivotal role in overseeing and enhancing the organization's risk management framework. Being responsible for identifying, assessing, and mitigating potential risks across various facets of the brokerage business. Working closely with the senior team to develop and implement risk management strategies to ensure the stability and resilience of the firm in dynamic market environments. Compliance with legal framework and internal regulations BNP Paribas. Reporting regularly to the Credit and Audit Committees and the Board. Managing the communications with Borsa Istanbul Stock Exchange Group.
- 04.2015 - 01.2021 **Executive Consultant to CEO (Jul. 2020 - Jan. 2021)**- Borsa Istanbul Exchange Group (Post-Trade) - TAKASBANK
Providing the CEO with consultancy on various capital market topics: Stock Exchange operations, clearing and settlement operations, other self-operated markets (Security Lending Market, Takasbank Money Market etc.). Along with that, supervising communications with Central Bank of the Republic of Turkey, Capital Markets Board of Turkey, Banking Regulation and Supervision Agency and banks & brokerage houses. Additionally, filtering and examining the requests before they are escalated to the CEO.
Risk & Central Counterparty (Jan. 2020 - Jul. 2020)
Engaging in daily collateral management operations and addressing margin calls induced by open positions across equity, fixed income, derivatives, swaps, and precious metals markets. Collaborating in the calculation of daily option settlement prices in coordination with team members. Compiling ad-hoc reports for CCP activities as requested by international institutions.
Fund Valuation & Custody (Oct. 2017 - Jan. 2020)
Conducting valuations of mutual, pension, real estate, hedge funds, and ETFs to detect deviations from the principles mandated by their respective directives. Ensuring daily communication with the Capital Markets Board of Turkey to report any breaches in investment limits for each asset class as required for each fund type. Additionally, preparing ad-hoc reports for top management and delivering presentations for the monthly Asset-Liability Committee
Equity Clearing & Settlement - NASDAQ OMX Project Group (Apr. 2015 - Oct. 2017)
Performing clearing and settlement operations within the equity market, including the management of default market transactions for unsettled positions after T+2. Integral involvement in the core team responsible for executing all module tests and acceptance operations related to NASDAQ OMX Clearing and Settlement products. Collaborating closely with NASDAQ OMX teams, as well as equity trading, market surveillance, index provision, data dissemination departments, and IT desks to contribute to market design and product placement. Concurrently, overseeing the amendment of outdated regulations and rule guides in conjunction with colleagues, in response to the ongoing infrastructure transformation
- 10.2014 - 03.2015 **Financial Planning & Analysis**- adidas GROUP
Financial reporting, financial analysis, budget planning
- 10.2010 - 06.2014 **Emerging Companies Market**- Borsa Istanbul Exchange Group (Trade) - BORSA ISTANBUL
Primarily, I was tasked with overseeing the initial public offerings of Small and Medium-sized Enterprises and orchestrating market operations from the onset of trading. Concurrently, I played an active role in system enhancement projects and held responsibility for predefined departmental functions and activities on the trading floor. Additionally, within the framework of the Borsa Istanbul Exchange, I contributed to a structured Applied Capital Market education program aimed at a diverse audience, including final-year undergraduate and Master's degree students. My role involved teaching responsibilities for our department during the period spanning 2011-2012.
- 08.2009 - 07.2010 **Corporate & Commercial Credits**- GARANTI BBVA
Conducting comprehensive analyses of loan applications directed toward major construction projects was a pivotal aspect of my responsibilities. Weekly presentations to the credit committee involved conveying our assessments and recommendation reports. Additionally, I played a proactive role in on-site monitoring of construction operations, collating pertinent data, and preparing progress reports.

Grants, Awards & Fellowships

2021	International Postdoctoral Research Fellowship Grant The Scientific and Technological Research Council of Turkey (TUBITAK)	€ 25,200
2023	International Scientific Meetings Fellowship Programme (FMA Europe) The Scientific and Technological Research Council of Turkey (TUBITAK)	\$ 1,500

Referee

International Review of Financial Analysis, Emerging Markets Review, International Journal of Emerging Markets

Presentations

CONFERENCES (Presented / Accepted)

1-EUROPEAN FINANCIAL MANAGEMENT ASSOCIATION (EFMA) - 32ND ANNUAL CONF. *Jun. - Jul. 2023*

- Paper: New Avenues in Expected Returns: Investor Overreaction and Overnight Price Jumps in US Stock Markets
- Venue: Cardiff Business School, **Cardiff University, UK**

2-FINANCIAL MANAGEMENT ASSOCIATION (FMA) - 2023 EUROPEAN CONFERENCE *Jun. 2023*

- Paper: New Avenues in Expected Returns: Investor Overreaction and Overnight Price Jumps in US Stock Markets
- Venue: Aalborg University Business School, **Aalborg University, Denmark**

SEMINARS

1-UNIVERSITY OF GRONINGEN - ASSET PRICING SEMINARS *Feb. - 2023*

- Paper: New Avenues in Expected Returns: Investor Overreaction and Overnight Price Jumps in US Stock Markets
- Venue: **Groningen - The Netherlands**

2-BOGAZICI UNIVERSITY - DEPARTMENT OF MANAGEMENT SEMINARS *Nov. - 2022*

- Paper: New Avenues in Expected Returns: Investor Overreaction and Overnight Price Jumps in US Stock Markets
- Venue: Online / **Istanbul - Turkey and Groningen - The Netherlands**

Membership, Licences & Certificates

MEMBERSHIP

European Finance Association
Financial Management Association

LICENCES & CERTIFICATES

Capital Market Activities Level 3 Licence Issuer: Capital Markets Licensing Registry & Training Agency, Turkey

Derivative Instruments Licence Issuer: Capital Markets Licensing Registry & Training Agency, Turkey

Languages

Turkish (Native), English (Fluent), Spanish (Basic)

Computer Skills

Python, Stata, Microsoft Office, LaTeX

References

Available upon request.