Mehmet Sağlam

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Academic Appointments

Aug 2013 - present | University of Cincinnati, Carl H. Lindner College of Business | Cincinnati, OH
- Aug 2020 - | Associate Professor of Finance, Johnson Professorship
- Aug 2013 - July 2020 | Assistant Professor of Finance, Johnson Professorship

Sep 2012 - Aug 2013 | Princeton University, Bendheim Center for Finance | Princeton, NJ
Postdoctoral Fellow

Education

Jun 2008 - Oct 2012 | Columbia University, Graduate School of Business | New York, NY
Ph.D., Business Administration
Thesis: Dynamic Trading Strategies in the Presence of Market Frictions

Aug 2003 - May 2007 | Cornell University | Ithaca, NY
B.S., Operations Research & Industrial Engineering,

Honors & Awards

- Nominee, Drew and Wendy Boyd Breakthrough in Innovative Teaching Excellence Award (2024)
- Semi-Finalist, Best Paper in Market Microstructure, FMA Annual Meeting (2016, 2023, 2024)
- Lindner Summer Research Fellow (2023)
- Lindner Research Excellence Emerging Scholar Award (2020)
- Nominee, Lindner Research Excellence Emerging Scholar Award (2019)
- Nominee, Michael Dean EXCEL Graduate Teaching Award (2017)
- Recipient, Summer Research Grant (2017, 2018)
- Recipient, Faculty Development Research Grant (2016)
- Dean's List of Teaching Excellence (Fall 2013, Spring 2014, Fall 2014, Fall 2016, Fall 2017)
- CET&L Thank You Professor Award (Fall 2013, Fall 2014)
- Daniel Westerbeck Junior Faculty Graduate Teaching Award (2015)
- Winner, Best Student Research Paper, INFORMS Financial Services Section (2011)

Research Interests

High Frequency Trading, Liquidity and Trading Costs, Dynamic Portfolio Choice

Journal Publications

1. "Rainy Day Liquidity"
   Jingzhi Huang, Xin Li, Mehmet Sağlam, Tong Yu
   Management Science, forthcoming.

2. "The Determinants of Predatory Trading: Experimental Evidence"
   Brian Kluger, Mehmet Sağlam
   Journal of Behavioral Finance, forthcoming.

3. "The Cost of Exposing Large Institutional Orders to Electronic Liquidity Providers"
   Robert Battalio, Brian Hatch, Mehmet Sağlam
   Management Science, 2024, 70(6): 3381–4165.

4. "High Frequency Market Making: The Role of Speed"
   Yacine Aït-Sahalia, Mehmet Sağlam
   Journal of Econometrics, 2024, 239: 105421.

5. "Slow-Moving Capital and Execution Costs: Evidence from a Major Trading Glitch"
   Vincent Bogousslavsky, Pierre Collin-Dufresne, Mehmet Sağlam
   Journal of Financial Economics, 2021, 139(3): 922-949.

6. Liquidity Regimes and Optimal Dynamic Asset Allocation
   Pierre Collin-Dufresne, Kent Daniel, Mehmet Sağlam
   Journal of Financial Economics, 2020, 136(2): 379-406.

7. Order Anticipation around Predictable Trades
   Mehmet Sağlam
   Financial Management, 2020, 49(1): 33-67.
   Selected as a Top Paper in its publication issue

8. Short-Term Trading Skill: An Analysis of Investor Heterogeneity and Execution Quality
   Mehmet Sağlam, Ciamac Moallemi, Michael Sotiropoulos
   Journal of Financial Markets, 2019, 42: 1-28 [Lead Article]
   Semi Finalist, Best Paper in Market Microstructure, FMA 2016

9. Dynamic Portfolio Choice with Linear Rebalancing Rules
   Ciamac Moallemi, Mehmet Sağlam
   Journal of Financial and Quantitative Analysis, 2017, 52(3): 1247-1278

10. The Cost of Latency in High-Frequency Trading
    Ciamac Moallemi, Mehmet Sağlam
    Operations Research, 2013, 61(5): 1070-1086 [Lead Article]
    First Place, Best Student Research Paper, INFORMS Financial Services, 2011
    Selected for publication in OR Forum, 2013

11. Housing Prices and the Optimal Time-on-The-Market Decision
    Hazer Inaltekin, Robert Jarrow, Mehmet Sağlam, Yildiray Yildirim
    Finance Research Letters, 2011, 8(4): 171-179 [Lead Article]

12. Option Market Making under Inventory Risk
    Sasha Stoikov, Mehmet Sağlam
    Review of Derivatives Research, 2009, 12(1): 55-79

Contributions to Crowd-sourced research

1. "Reproducibility in Management Science" (with Milos Fisar, Ben Greiner, Christoph Huber, Elena Katok, Ali Ozkes, and the Management Science Reproducibility Collaboration) *Management Science*, 2024, 70(3): 1343–2022.

Working Papers

1. "Difficulties in obtaining a representative sample of retail trades from public data sources"
   Robert Battalio, Robert Jennings, Mehmet Sağlam, Jun Wu
   - Revise & Resubmit at *Journal of Finance*
   - Conferences: FMA 2024, Microstructure Exchange 2023, TCU Finance Conference 2023
2. "Do ETFs Increase Liquidity?"
   Mehmet Sağlam, Tugkan Tuzun, Russ Wermers
   - Revise & Resubmit at *Review of Asset Pricing Studies*
   - Conferences: EFA 2019, NFA 2018, 8th Luxembourg Asset Management Conference, 2nd SAFE Market Microstructure Conference
3. "Democratizing or Demoralizing: The Impact of Robinhood's Order Types on Retail Trading Costs"
   Preston Mantel, Mehmet Sağlam
   - Conferences: FMA 2022, Microstructure Exchange 2023
4. "Optimal Dynamic Asset Allocation with Transaction Costs: The Role of Hedging Demands"
   Pierre Collin-Dufresne, Kent Daniel, Mehmet Sağlam
   - Conferences: FMA 2022, SCFE Princeton 2023
5. "High Frequency Market Making: Implications for Liquidity"
   Yacine Aït-Sahalia, Mehmet Sağlam
   - Conferences: AEA 2017, FTG Summer Conference 2017
6. "Dynamic Asset Allocation with Predictable Returns and Transaction Costs"
   Pierre Collin-Dufresne, Kent Daniel, Ciamac Moallemi, Mehmet Sağlam
   - Reject & Resubmit at *Journal of Finance*
   - Conferences: AFA 2015, FRIC 2014: Conference on Financial Frictions, Ninth Imperial College Hedge Fund Conference, LSE Roundtable on Asset Management

Conference and Invited Presentations (2018–Present)

- University of Michigan, "Democratizing or Demoralizing: The Impact of Robinhood on Trading Costs and Volatility," Ann Arbor, MI. (March 2024).
- Peking University, "Optimal Dynamic Asset Allocation with Transaction Costs: The Role of Hedging Demands," Online. (March 2024).
- Microstructure Exchange, "Democratizing or Demoralizing: The Impact of Robinhood on Trading Costs and Volatility," Online. (November 2023).

- 3rd TCU Finance Conference, "Identifying Market Maker Trades as "Retail" from TAQ: No Shortage of False Negatives and False Positives," Dallas, TX. (October 2023).
- Stochastic Control and Financial Engineering Conference at Princeton University, "Optimal Dynamic Asset Allocation with Transaction Costs: The Role of Hedging Demands," Princeton, NJ. (June 2023).
- Innsbruck Spring Summit – (Un)Ethical Behavior in Markets, "Decoding the Predator's Play: An Experimental Investigation of Front-Running," Innsbruck, Austria. (May 2023).
- FMA Annual Meeting, "Optimal Dynamic Asset Allocation with Transaction Costs: The Role of Hedging Demands," Atlanta, GA. (October 2022).
- FMA Annual Meeting, "Order Anticipation around Predictable Trades," Online. (October 2020).
- AQR Capital Management, "The Cost of Exposing Large Institutional Orders to Electronic Liquidity Providers," Greenwich, CT. (November 2019).
- IEX Market Structure Conference, "The Cost of Exposing Large Institutional Orders to Electronic Liquidity Providers," New York, NY. (November 2019).
- 8th Luxembourg Asset Management Conference, "Do ETFs Increase Liquidity?" Luxembourg. (October 2019).
- WFA Annual Meeting, "The Cost of Routing Orders to High Frequency Traders," WFA, Huntington Beach, CA. (June 2019).
- SEC Conference on Financial Market Regulation, "The Cost of Routing Orders to High Frequency Traders," Lehigh University, SEC, University of Maryland, Washington, DC. (May 2019).
- Ohio University, "The Cost of Routing Orders to High Frequency Traders," Athens, OH. (April 2019).
- University of Cincinnati, "Liquidity Regimes and Optimal Dynamic Asset Allocation," Cincinnati, OH. (April 2019).
- Kepos Capital, "The Cost of Routing Orders to High Frequency Traders," New York, NY. (August 2018).
- University of Cincinnati, "Liquidity Regimes and Optimal Dynamic Asset Allocation," Cincinnati, OH. (March 2018).

Invited Discussions (2018–Present)

- 8th Luxembourg Asset Management Conference, "ESG Preference and Market Efficiency: Evidence from Mispricing and Institutional Trading" by Jie Cao, Sheridan Titman, Xintong Zhan and Weiming Zhang. Luxembourg. (October 2019).
- MFA Annual Meeting, "Measuring institutional trading costs and the implications for finance research: The case of tick size reductions" by Gregory Eaton, Paul Irvine and Tingting Liu, MFA, Chicago, IL. (March 2019)

Professional Service

Journal Referee: *Journal of Finance, Review of Financial Studies, Management Science, Operations Research, Journal of Economic Theory, Journal of Financial and Quantitative Analysis, Journal of the American Statistical Association, Review of Finance, Annals of Operations Research, Economics Letters, European Financial Management, European Journal of Operations Research, Finance and Stochastics, IIE Transactions, International Journal of Finance and Economics, Journal of Applied Finance, Journal of Computational Finance, Journal of Economic Dynamics and Control, Journal of Empirical Finance, Mathematical Finance, Operations Research Letters, Journal of Banking and Finance*

Session Chair: FMA 2022 (Factor Investing and Market Timing), FMA 2017 (Market Stress and Liquidity), AFA 2015 (High Frequency Trading)

Internal Service

College & University:

2023 – 2024	Member, RPT Revision Committee
2022 – 2024	Member, Research Excellence Committee
Summer 2023	Facilitator, Communities of Practice on Generative AI
2022 – 2024	Member, Lindner Business Honors Faculty Committee
2021 – 2022	Member, Faculty Development Committee
2020 – 2021	Member, Lindner Steering Committee
April 2019	Speaker, Bicentennial Community Day
March 2018	Speaker, Research Presentation to Business Advisory Council
Spring 2017	Faculty Advisor, MBA Capstone Project
Spring 2016	Member, LCB Awards Selection Committee
Spring 2014	4th Interdisciplinary Research Seminar Series

Department:

2017 – 2023	Co-organizer, Finance Department Seminar Series
2018 – 2023	Member, PhD Students Admission Committee
2013 – 2015	Member, Finance Department Faculty Recruiting Committee

Media Mentions

- "Some Stocks Always Go Up 5%," *Bloomberg* (September 2024)
- "What is Segmentation," *Nasdaq* (November 2021)
- "What is Segmentation," *Trader's Magazine* (November 2021)
- "ELPs: Electronic Liquidity Providers," *Trader's Magazine* (June 2019)
- "Do ETFs Increase Liquidity," *Canadian Investment Review.* (August 2018).

- "Effect of ETFs on Liquidity," *Absolut Research*. (May 2018).
- "Great Academic Finance Research Papers at WFA 2017," *Alpha Architect*. (April 2017).
- "Market Structure Weekly with Larry Tabb," *TABB Forum*. (September 2016).
- "We Feel Your Pain. Come Have a Wee Cuddle," *Themis Trading*. (June 2015).

Industry Experience

Spring 2012	Bank of America Merrill Lynch *Associate, Algorithmic Trading Group*	New York, NY
Summer 2010	Bank of America Merrill Lynch *Associate, Algorithmic Trading Group*	New York, NY
2007 - 2008	First Manhattan Consulting Group *Analyst, Risk Practice*	New York, NY
Summer 2006	J.P. Morgan Asset Management *Analyst, Global Multi-Asset Allocation*	New York, NY
Fall 2005	BlackRock *Analyst, Portfolio Risk Management*	New York, NY