



# Milla Siikanen

## ***INFORMATION ARRIVAL, MARKET LIQUIDITY, AND INVESTOR BEHAVIOR: Empirical evidence from stock markets***

Supervisor: prof. Juho Kanninen

Funding: TUT's doctoral school, 2015-2018

- **Market liquidity is a crucial feature of any well functioning markets—on the other hand, information shocks are intriguing because they drive stock markets.**
- I use **high-frequency limit order book data** combined with unique data of all **trades of Finnish individuals and institutions**
- **My research questions relate to the following topics (my dissertation consists of 4 papers)**
  - I. how liquidity in limit order books evolves around scheduled and non-scheduled company announcements
  - II. how different factors relate to the magnitude of the liquidity shocks caused by announcement releases
  - III. how informed investors 'make and take' liquidity around announcement releases
  - IV. how company's Facebook posts affect the behavior of different investor groups
- **My research aims to provide empirical evidence of the determinants of liquidity in limit order markets at information shocks** (i) to help the scientific community to develop reliable and robust models and theories for order book markets and (ii) to help corporates with financial planning

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## Published papers:

- Siikanen, M., Kanninen, J., & Valli, J. (2017). Limit order books and liquidity around scheduled and non-scheduled announcements: Empirical evidence from nasdaq nordic. *Finance Research Letters*, 21, 264-271. (<https://doi.org/10.1016/j.frl.2016.12.016>)
- Siikanen, M., Kanninen, J., & Luoma, A. (2017). What drives the sensitivity of limit order books to company announcement arrivals?. *Economics Letters*, 159, 65-68. (<https://doi.org/10.1016/j.econlet.2017.07.018>)
- Siikanen, M., Baltakys, K., Kanninen, J., Vatrupu, R., Mukkamala, R., & Hussain, A. (2018). Facebook drives behavior of passive households in stock markets. *Finance Research Letters*, forthcoming. (<https://doi.org/10.1016/j.frl.2018.03.020>)

## Working papers:

- Siikanen, M., Kanninen, J., & Ranganathan, S. (work in progress). Value of information and use of market versus limit orders by informed investors. ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3045144](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3045144))
- Siikanen, M., Nögel, U., & Kanninen, J. (work in progress). Liquidity in FX aggregator: Optimal combination of liquidity streams.

## Future:

- I'm currently finalizing the two working papers, and writing the introduction for my thesis. My expected graduation is in late 2018/ early 2019.
- Future after dissertation is still a bit unclear; however, I'm interested in data science and might pursue a career in industry.