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Essays on Intraday Liquidity and Price Movements

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This doctoral thesis is composed of four essays that relate price movements to market liquidity at the intraday level. This issue is of utmost importance because liquidity is multidimensional and difficult to accurately estimate. Our approach is based on the quest for easy-to-observe proxies for liquidity. In this respect, intraday prices are useful since they are widely available. The first essay consists in an event study that investigates whether particular High-Low-Open-Close price dynamics have an informational content towards liquidity. The second paper refines the previous study by investigating which types of price movements best characterize changes in the state of liquidity. The third essay discusses the use of zero returns as a liquidity proxy. Finally, the last essay investigates how transactions costs may be improved using the findings of the three previous essays. All in all, we conclude that intraday price movements are related to liquidity and that market participants may benefit from particular price patterns to place orders at lower cost.

Paolo MAZZA holds his Master's Degree in management engineering from Catholic University of Mons (UCL-Mons, formerly FUCaM). From 2008 to 2010, he worked as a financial analyst for Dexia Asset Management before holding a Ph.D. track position at the Louvain School of Management, funded by an ARC research grant. He has published in *Journal of Banking and Finance* and *Quantitative Finance* on topics related to market microstructure and traders' behavior.