

Discussion of  
“Trading Under Ambiguity and the  
Effect of Learning”  
by Kathleen NGANGOUE

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# Main Comment

- **Experimental** evidence on ambiguity, willingness to trade (wider bid-ask spread) and information updating (heterogeneity, more extreme quotes)
- The **paper** is :
  - relevant (need more evidence about ambiguity!)
  - interesting (not obvious results)
  - thoughtful link theory/experiment
  - well crafted

# Other Comments

- **Qualitative** differences between risk and ambiguity
  - Wider spread consistent with higher risk aversion? What about learning?
- **Heterogeneity**: no single model explains everything
  - Kinked models more suited for no-trade and smooth models for learning?
  - Heterogeneity in ambiguity preferences vs. in updating rules: any pattern which would suggest a common underlying trait? Wider spread correlated with insensitivity to information?

# Further Comments

- **External** validity
  - Market maker (possibly ambiguity neutral)
    - still expect lower volumes of trade?
    - Inference from prices is similar to your information?
  - More assets (possibly with different ambiguity)
    - Ambiguity aversion leads to higher risk taking and to more portfolio rebalancing (Bianchi Tallon 2017)
  - Profits: wider spreads imply lower profit, so ambiguity averse traders should disappear?