Application: Digital Economics and AI Tutorial

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Description of courses of graduate study:

- 1st year PhD courses: Econometrics, Microeconomics, Macroeconomics, Economic History
- 2nd year PhD field courses: Macroeconomics, International Economics
- Audited courses: Empirical Asset Pricing

Research projects in progress:

- *Fed Information Effects? Evidence from Industrial Production* [SSRN]
    - Abstract: Do monetary policy actions signal to markets about future economic conditions, known as the Fed information effect? I provide direct evidence for the Fed information effect using a natural experiment. Specifically, I exploit the fact that industrial production (IP) data—collected by the Federal Reserve—are sometimes released immediately after FOMC meetings. In such cases, the Fed can have private information about the macroeconomy. Financial market reactions around these meetings are consistent with information leakage about IP and the Fed information effect, which has persistent effects on financial markets and macroeconomic forecasts. Controlling for these meetings, the effects of monetary policy shocks are substantially larger than previously estimated - for example, 1% increase in interest rates causes a 10% decline in S&P 500 rather than 6%.
- *Do Central Banks Follow the Fed?* Joint with Alfredo Mendoza-Fernandez [SSRN]
    - Abstract: We study how central banks respond to U.S. monetary shocks. Using a newly constructed dataset on monetary policy meetings (the MPM-dataset), we show that emerging market (EME) central banks systematically move in tandem with the Fed, whereas advanced economy central banks do not. We attribute this heterogeneity to the asymmetric spillovers of U.S. monetary policy on firms' marginal costs. A three-bloc open-economy New Keynesian model with dominant currency pricing and partial debt dollarization reproduces these empirical patterns, highlighting that EME responses stem from the immediate impact of Fed shocks on exchange rates and, in turn, on marginal costs.

List of committee members: Yuriy Gorodnichenko (main advisor), Emi Nakamura, Jón Steinsson, and Maury Obstfeld.