

Zhengyang (Robin) Chen

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Birmingham, AL 35208

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Willing to Relocate? Yes

Ph.D. Status: Graduated

Fields of Concentration: Monetary Economics, Time-Series Analysis, Financial Economics.

Teaching Interests: Macroeconomics, Money & Banking, Time Series Analysis & Forecasting, International Economics, Financial Institutions & Markets.

Dissertation Title: Essays on Monetary Policy: Measurement and Transmission

Committee:

Dr. Victor J. Valcarcel (Chair), Dr. Daniel G. Arce M., Dr. Patrick T. Brandt, Dr. Enrique Martínez-García (Dallas Fed.)

Degrees:

Ph.D., Economics, The University of Texas at Dallas, 2020

M.Sc., Finance, Johns Hopkins University, 2015

M.Sc., Real Estate and Infrastructure, Johns Hopkins University, 2013

B.BM., International Business, Guangdong University of Foreign Studies, China, 2012

Invited Seminars and Conference Presentations:

WEAI Virtual International Conference, Zoom, 2020

Session Chair, SEA (Southern Economic Association) 90th Annual Meeting, New Orleans, LA, 2020

Fall 2019 Finance Seminar, Naveen Jindal School of Management, UT Dallas, USA, 2019

The 6th SEM (Society for Economic Measurement) Annual Conference, Frankfurt, Germany, 2019

PFA Brown Bag Seminars, Mays Business School, Texas A&M University, USA, 2019

The 93rd Western Economic Association International Annual Conference, Vancouver, Canada, 2018

Non-academic Working Experience:

Associate, Financial Modeling and Marketing, EB5 Capital, Bethesda, USA, 2013-14

Teaching Experiences:

Birmingham-Southern College, Visiting Assistant Professor in Economics

EC360 Time Series Visualization and Forecasting (Python)

EC303 Money and Banking, Spring 2021

EC308 Macroeconomics, Fall 2020

EC201 Principles of Macroeconomics, Fall 2020/Spring 2021

The University of Texas at Dallas, Instructor:

**Evaluation shows the average points for all evaluated items.*

Econ 2301 Principles of Macroeconomics, Size 47, Eval. 4.35, Fall 2019

Econ 2301 Principles of Macroeconomics, Size 26, Eval. 4.75, Summer 2019

Econ 2301 Principles of Macroeconomics, Size 89, Eval. 4.25, Spring 2019

Econ 2301 Principles of Macroeconomics, Size 35, Eval. 4.49, Fall 2018

Econ 2301 Principles of Macroeconomics, Size 12, Eval. 3.58, Summer 2018

The University of Texas at Dallas, Teaching Assistant (Fall 2015 – Spring 2018):

ECON2301 Principles of Macroeconomics (undergraduate, Prof. V. Valcarcel)

ECON3312 Money and Banking (undergraduate, Prof. V. Valcarcel)

ECON7302 Macroeconomics Theory II (graduate, Prof. V. Valcarcel)

Fellowships, Honors and Awards:

University Small Research Grant, UTD, 2019

Charles C. McKinney Scholarship, UTD, 2017 - 2019

Vibhooti Shukla Scholarship, UTD, 2017

Graduate Studies Scholarship, UTD, 2015 - 2020

AFIRE (Association of Foreign Investors in Real Estate) Scholarship, JHU, 2013

University Comprehensive Merit Scholarship, GDUFS, 2010, 2011

Skills:

Proficient in Matlab/Dynare, Julia, RATS, R, Stata, EViews GUASS, LATEX, Beamer

Languages:

Mandarin (native), English (fluent)

Working Papers:

"The Long-term Rate and Interest Rate Volatility in Monetary Policy Transmission" (Job Market Paper)

The federal funds rate became uninformative about the stance of monetary policy from December 2008 to November 2015. During the same period, unconventional monetary policy actions, like large-scale asset purchases, show the Federal Reserve's intention to depress longer-term interest rates. This paper considers a long-term real interest rate as an alternative monetary policy indicator in a structural VAR framework. Based on an event study of FOMC announcements, I advance a novel measure of long-term interest rate volatility with important implication for monetary policy identification. I find that monetary policy shocks identified with this volatility measure drive significant swings in credit market sentiments and real output. In contrast, monetary policy shocks identified by otherwise standard unexpected policy rate changes lead to muted responses of financial frictions and production. Our results support the validity of the risk-taking channel and suggest an indispensable role of financial markets in monetary policy transmission.

"Monetary Transmission in Money Markets: The Not-So-Elusive Missing Piece of the Puzzle" (with Victor Valcarcel) (Under Review)

We investigate the effects of U.S. monetary policy shocks from two alternative policy indicators for a modern sample encompassing 1988-2020. The choice of the Wu and Xia (2016) shadow federal funds rate leads to persistent price puzzles. These puzzles arise despite inclusion of the usual suspect fixes such as commodity prices, federal funds futures and forward rate data. We find they occur at monthly and quarterly frequencies in time-varying and constant-parameter approaches.

We consider an alternative indicator with the same broad monetary aggregate Keating et al. (2019) employed in their investigation of a historical sample. This alternative provides a consistent resolution of the price puzzle and it does not require the ad hoc inclusion of commodity prices or futures data. While this price puzzle correction is not a feature of our time-varying approach—as it also obtains from constant parameter econometric estimation—our analysis suggests monetary policy has transmitted substantial expansionary effects in money markets in the aftermath of the 2007 Financial Crisis and the decade that followed.

"A Note on the Relative Stability of Money Demand" (with Victor Valcarcel)

We revisit the controversy of unstable money demand function in the U.S. with the Johansen (1991) cointegration framework improved by imposing Johansen (1995) restrictions on deterministic trends. We find that the unstableness and structural break in the interest elasticity of money demand identified in the 1980s are only associated with the simple-sum measure of money. The Divisia monetary aggregates, the alternative measures that relax the assumption of perfect substitution among monetary assets, warrant stable and negative long-run relationships with the costs of holding. We further find new evidence suggesting that the disturbance in demand for money is due to the behavior pattern of financial innovations, which are distinct from those of conventional monetary assets. The role of the substitution effect is unneglectable in the measurement of money when a quantity-theoretical approach of monetary policy is of concern.

Working in Progress:

"Information in Financial Futures and the Price Puzzle" (with Victor Valcarcel)

"Moral Hazard in the Primary Dealer System: A New Perspective on the Yield Curve Control"