Zhengyang (Robin) Chen

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

Teaching Interests: Macroeconomics, Money and Banking, Financial Institutions and Markets, Econometrics.

Dissertation Title: Essays on Monetary Policy: Measurement and Transmission

Committee:

Professor Victor J. Valcarcel (Chair)

Professor Daniel G. Arce M.

Professor Patrick T. Brandt

Dr. Enrique Martínez-García

Expected Completion Date: May 2020

Degrees:

Ph.D., Economics, University of Texas at Dallas, 2020 (expected)

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

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

Invited Seminar and Conference Presentations:

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

Session: Monetary Policy: Instrumentation and Identification

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

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

Session: Topics in Empirical Macroeconomics

Teaching Experience:

University of Texas at Dallas, Instructor (With full curricular and evaluation responsibilities):

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

Econ 2301 Principle of Macroeconomics, Size 47, Fall 2019

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

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

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

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

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)

Research 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: A Divisia Component Investigation" (with Victor Valcarcel)

(In Review)

Recent work in the monetary literature has amply demonstrated the superior information content of Divisia monetary aggregates. Most of the work focuses exclusively on monetary assets at high degrees of aggregation. In a first, we document pass-through of the short-term interest rate onto the components of these Divisia indices. We show that financial and monetary markets reacted strongly to Federal Reserve policy post 2007. The strong monetary response varies not only quantitatively over time, but qualitatively across asset classes. Although far from a one-to-one relationship, balances of assets more closely associated with household demand, such as currency and savings, tend to move in the opposite direction of short-term rates - indicative of a liquidity effect. Whereas balances more closely associated with firms returns are mixed, where institutional money markets also show a liquidity effect, large time deposits or commercial paper exhibit a strong Fisher effect post 2007.

Working in Progress:

"Liquidity and Substitution Effects in the Money Demand" (with Victor Valcarcel)

We empirically study both liquidity and substitution effects in the money demand and suggest to group monetary assets accordingly. An important reason is that we conventionally group monetary assets according to liquidity but price them by interest rates forgone in holding periods. The problem is that levels of liquidity are not always mapped to holding costs (marginal benefits are not in line with marginal costs). Assets with high interest returns and low holding costs may also be liquid. Grouping them by the responses to a policy rate change can potential solve this inconsistency and provide more insight in the informational role of monetary assets. Household assets closely approximate to the stereotype of money which bears no value other than providing monetary/liquidity services. In comparison, firm assets verge on pure investments with monetary services as complimentary.

"The Monetary Transmission Through Yield Curve: An Estimated DSGE Model"

"*The Seasonal Pattern of Gasoline Tax Increases: Evidence from Long-term Event Study*" (with Wanwan Yue and Yao Han)

Language:

Mandarin (native), English (fluent)