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Prior Education:

B.A. & B.Sc., Economics and Math, Nanjing University, 2012
Graduate Study., Economics, Shanghai Jiaotong University, 2017

Graduate Studies:

University of Pennsylvania, 2017 to present.
Expected Completion Date: May 2023

Thesis Committee and References:

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Research Fields:

Asset Pricing, International Macro Finance, Monetary Policy and Econometrics

Teaching Experience:

Fall 2022	BEPP-1000 Introductory Economics, The Wharton School, Recitation Instructor
Spring 2022	ECON-222 Microeconometrics, University of Pennsylvania TA for Prof. Petra Todd
Fall 2021	ECON-238 Economics of Education, University of Pennsylvania
Spring 2011	ECON-104 Statistics for Economists, University of Pennsylvania Recitation Instructor
Fall 2020	ECON-721 Microeconometrics, University of Pennsylvania TA for Prof. Petra Todd
Spring 2020	ECON-103 Statistics for Economists, University of Pennsylvania Recitation Instructor
Fall 2019	ECON-246 Money, Banking and Credit, University of Pennsylvania TA for Prof. Harold Cole
Spring 2019	ECON-242 Monetary and Fiscal Policy, University of Pennsylvania TA for Prof. Harold Cole
Fall 2018	ECON-001 Introduction to Microeconomics, University of Pennsylvania, Recitation Instructor

Research Experience and Other Employment:

2019-21 Summer	Research Assistant to Professor Nikolai Roussanov
2016 Summer	China Investment Corporation, Summer Internship Program (Macro Strategist)

Professional Activities

<u>Presentations</u>	2022: SFS Cavalcade North America, Wharton, UPenn 2020: UPenn 2016: The 2nd Meeting of Young Econometrician in Asian-Pacific Region, Beijing 2015: The 11th International Symposium on Econometric Theory and Applications, Tokyo The 5th Shanghai Econometrics Workshop, SUFE, Shanghai, China The 11th World Congress of the Econometric Society, Montreal, Canada
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Honors, Scholarships, and Fellowships:

2022	SAS Dean's Travel Subvention, University of Pennsylvania
2019	Xingmei Zhang & Yongge Dai Fellowship (UPenn)
2015	Econometric Society Travel Grant (Econometric Society)
2011	Class of 1988 International Economics Scholarship (NJU)

Publications:

“IV Estimation of a Spatial Dynamic Panel Data Model with Endogenous Spatial Weights When T is Small”, (joint with Xi Qu and Lung-fei Lee), *Econometrics Journal*, 19(3), 2016, 261–290.

Research Papers:

“Exchanges Rates, US Monetary Policy and the Global Portfolio Flows” (with Mengbo Zhang)
(Job Market Paper)

Abstract: This paper investigates the transmission mechanism of US (un)conventional monetary policy shocks to exchange rates through the lens of global investors' portfolio rebalancing. The empirical findings show that a tightening US (un)conventional monetary surprise is associated with lower domestic asset prices, net portfolio inflows to the US, and appreciation of the dollar. To quantitatively examine this mechanism, we develop a two-country New Keynesian dynamic stochastic general equilibrium (DSGE) model with financially constrained banks and foreign exchange (FX) dealers. The key mechanism is that a tightening (un)conventional monetary shock raises the expected returns of domestic assets and induces portfolio inflows to home country as a result of global investors' substitution towards domestic assets. FX dealers intermediate the associated imbalances subject to limited risk-bearing capacity, which leads to the appreciation of home currency. Importantly, the banks' binding financial constraints amplify the pass-through of conventional monetary policy shocks and make the central bank's quantitative easing (QE) policy effective in the model. We discipline our quantitative model by targeting estimates from a structural vector autoregression (SVAR). Our quantitative analysis indicates that FX dealers' limited liquidity intermediation plays a crucial role for the effectiveness of QE policy in an open economy.

“Asset Returns and Macro Risks in the Long-Run: A Low-Frequency Econometrics Analysis”

Abstract: In this paper, I identify the long-run risks (LRR) in the frequency domain, and further estimate the risk premia of consumption risks in different frequency ranges. To achieve the identification, I first show the long-run projection in Müller and Watson (2018, 2020) and the associated inference procedure for $I(0)$ process. Build in their low-frequency regression in time series, I further develop a Bayesian implementation of two-pass regression to estimate the consumption risk premia in different frequency bands. The methods are then performed on the US data. My empirical findings show that there is a low-frequency component in consumption, which drives the long-run comovements of itself with different financial variables. Importantly, the identified LRR from consumption growth is a component with cycles spanning around from 3.5 to 35 years. The resulting estimates are close to the choices of calibration or estimated parameters based on other methods in the literature. My empirical results show that the low-frequency variations in consumption growth are not significantly priced in equity market, which is consistent with the implication of LRR models.

“Following the Fed: Limits of Arbitrage and the Dollar” (with Nikolai Roussanov)

Abstract: U.S. dollar exchange rate are predictable by U.S. bond yields in the weeks around monetary policy announcements, rising following an increase in yields. In the post-zero-lower-bound period, the information in the “path” factor that reflects forward guidance surprises is impounded in the exchange rate over five days following the FOMC meeting. Using data on currency order flows, we trace out the channel for the delayed adjustment of exchange rates to monetary news. Foreign exchange dealers increase dollar purchases immediately following a monetary tightening, while funds and non-bank financial institutions do so with a 3-5 day delay and banks serve as liquidity providers. These flows explain much of the exchange rate predictability that we document. Decomposing the daily change of exchange rate into news about future interest rate differentials, excess returns, and inflation, we find that a surprise future tightening of U.S. monetary policy raises all components: expected future returns, interest rate differentials, and long-run differential between U.S. and foreign inflation.

“Semiparametric Conditional Factor models: Estimation and Inference” (with Qihui Chen and Nikolai Roussanov)

Abstract: This paper introduces a simple and tractable sieve estimation of semiparametric conditional factor models with latent factors. We establish large- N -asymptotic properties of the estimators and test statistics without requiring large T . We also develop a simple bootstrap procedure for conducting inference about the conditional pricing errors as well as the shapes of the factor loadings functions. These results enable us to estimate conditional factor structure of a large set of individual assets by utilizing arbitrary nonlinear functions of a number of characteristics without the need to pre-specify the factors, while allowing us to disentangle the characteristics' role in capturing factor betas from alphas (i.e., undiversifiable risk from mispricing). We apply these methods to the cross-section of individual U.S. stock returns and find strong evidence of large nonzero pricing errors that combine to produce arbitrage portfolios with Sharpe ratios above 3.

“Common Risk Factors in the Returns on Stocks, Bonds (and Options), Redux” (with Zhongtian Chen, Nikolai Roussanov and Dongchen Zou)

Abstract: This paper examines the common factor structure of the cross-sectional stock, corporate bond, and option returns. We study a conditional factor model, which describes the excess returns of individual assets and allows time-varying factor loadings to be functions of observable asset characteristics. To extract the latent common factors, we apply a simple estimation method, which is applicable to the unbalanced panels and does not require large T . We find that the extracted common factors significantly explain the common variations in a large panel of returns for all three asset classes with sample period from 2004 to 2018. The extracted common factors have meaningful economic interpretations. Importantly, we also document the salient asset class segmentation, where the asset-class-specific variation dominates the common variation.

Referee Service: Review of Asset Pricing Studies

Computational Skills: Matlab, Stata, R, Python.

Language: Chinese (native), English (proficient).