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Graduate Administrator: Marjorie Lesser	marjorie.lesser@nyu.edu	212-998-8923

<u>Education</u>

PhD. In Economics, New York University, 2005-2012 (expected)
Thesis Title: *Essays in International Macroeconomics*
M.Phil. in Economics, University of Cambridge, 2001-2003
M.Sci. in Mathematics and Computer Science, Imperial College, 1997-2001

<u>References</u>

Professor David Backus
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Professor Thomas Sargent
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Professor Stanley Zin
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Professor Boyan Jovanovic
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<u>Teaching and Research Fields</u>

Primary fields:	International economics and finance, Macroeconomics
Research interests:	International business cycles and asset pricing, recursive preferences, DSGE models, monetary economics

<u>Teaching Experience</u>

Spring, 2011	Macroeconomic Theory & Analysis, NYU, teaching fellow for Professor Mark Gertler
Spring, 2007	PhD Econometrics II, NYU, teaching fellow for Professors Jushan Bai and Donghoon Lee

<u>Research Experience and Other Employment</u>

June 2010 – Dec. 2010	Stern School of Business, Research assistant for Professor David Backus
Sept. 2007 – Dec. 2009	New York University, Research assistant for Professor Boyan Jovanovic
Sept. 2003 – July. 2005	Norges Bank (Central Bank of Norway), Economist

Honors, Scholarships, and Fellowships

2009-2011	Research Scholarships, Norwegian-American Association
2005-2009	Henry M. MacCracken Fellowship, New York University
July 2003	Stevenson Prize in Economics, University of Cambridge
June 2001	Governor's Prize in Mathematics and Computer Science, Imperial College

Research Papers

Real Exchange Rate Variability in a Two-Country Business Cycle Model (Job Market Paper)

Real exchange rate fluctuations have important implications for our understanding of the sources and transmission of international business cycles, and the degree of international risk sharing. In most two-country business cycle models, the real exchange rate is determined by differences in consumption and leisure across countries, and its standard deviation is significantly smaller than we see in the data. With recursive preferences the marginal utility of consumption today also depends on innovations in agents' future utilities. Real exchange rate movements are therefore partially disconnected from current quantities. With permanent cointegrated technology shocks and home bias, the model generates realistic variability in the real exchange rate. The mechanism is similar to related work on asset pricing, and the model produces highly volatile stochastic discount factors with more realistic asset pricing implications. In addition, there is modest improvement in the cross-country correlations of quantities, as investment and employment are positively correlated across countries.

Resolving the Consumption-Real Exchange Rate Anomaly with Recursive Preferences

International real business cycle models with expected utility and complete financial markets imply a perfect correlation between relative consumptions and bilateral real exchange rates. In the data this correlation is usually negative, which gives rise to the so called consumption-real exchange rate anomaly. In the literature it is assumed that incomplete markets are a necessary component of a model that can be reconciled with the data, although Chari, Kehoe and McGrattan (2002) show that this is not sufficient. In this paper we instead model agents with recursive preferences as in Epstein and Zin (1989). In such a model the implied correlation is not necessarily unity, and here we show that the model can produce a correlation in line with empirical estimates if agents have a high degree of home-bias, a risk aversion coefficient significantly larger than the inverse of the intertemporal elasticity of substitution, and a low subjective discount factor. Incomplete markets are thus neither necessary nor sufficient to solve this particular puzzle. To solve the model we extend previous methods and provide a novel computational procedure.

Home-bias in Consumption and Equities: Can Trade Costs Jointly Explain Both?

Research In Progress

Modeling Macroeconomic Risk (with David Backus and Stan Zin)