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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012
M.A. Economics, Universidad del CEMA, Buenos Aires, Argentina, March 2007
B.S. Economics, Universidad del CEMA, Buenos Aires, Argentina, December 2003

DISSERTATION

Essays on Systemic Liquidity-Risk Exposure

Committee: Professor Carmen Reinhart (Co-Chair), Professor Carlos Vegh (Co-Chair), Professor Anton Korinek, Professor Albert Kyle (Finance Department)

FIELDS OF SPECIALIZATION

Primary: International Finance, Financial Economics

Secondary: Macroeconomics, Monetary Economics

PAPERS

“Systemic Liquidity Risk-Taking in Emerging Markets,” *Job Market Paper*.

“Development of Liquidity-Risk Indexes for Latin American and Caribbean Banking Systems,”
IADB Technical Notes

“Banks Funding Structure and Risk: Evidence from the Global Financial Crisis” (with Francisco Vazquez), *IMF working paper series (forthcoming)*

“Capital Flows, Financial Intermediaries and Monetary Policy in Emerging Markets,” *third year paper*. Presented at the LACEA Meeting, Nov. 2010.

TEACHING EXPERIENCE

Instructor, Mathematical Economics (undergraduate), UMD, 2009 and 2011

Visiting Professor, Summer School - Dynamic Programming, UCCEMA, 2008-present

Teaching Assistant, Microeconomics (undergraduate), UMD, 2008

Teaching Assistant, Econometrics (MA Economics), UCCEMA, 2007

Teaching Assistant, Statistics (MA Finance), UCCEMA, 2006 and 2007

Teaching Assistant, Fixed Income Securities (undergraduate), UCCEMA, 2004-2006

Teaching Assistant, Portfolio Theory (undergraduate), UCCEMA, 2004-2006

RESEARCH EXPERIENCE

Consultant, IADB – Research Department, Summer 2011

Visiting Student, International Monetary Fund – European Department, Fall 2010

Summer Intern, International Monetary Fund – European Department, Summer 2010

Research Assistant, Prof. Carmen Reinhart, Peterson Institute for International Economics, 2010

Research Assistant, Prof. Edgardo Zablotsky, UCCEMA, 2007

Research Analyst, LECG Economics & Finance, Buenos Aires office, 2004-2006

AWARDS

University of Maryland Graduate Fellowship

University of CEMA Undergraduate & Graduate Fellowship

University of CEMA Undergraduate & Graduate Honors Diploma

REFERENCES

Prof. Carmen Reinhart	Peterson Institute (PIIE)	creinhart@piie.com	(202) 454-1325
Prof. Carlos Vegh	Department of Economics, UMD	vegh@econ.umd.edu	(301) 405-7371
Prof. Anton Korinek	Department of Economics, UMD	akorinek@umd.edu	(301) 405-3480
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THESIS ABSTRACT

Part I: “Systemic Liquidity Risk-Taking in Emerging Markets” [Job Market Paper]

This paper studies prudential regulation in an economy where banks finance investments in short-term and long-term assets by borrowing both locally and externally. The model rationalizes intervention with an externality arising from financial frictions. A potential disruption in external financing constitutes the only source of aggregate risk. In inefficient equilibria, banks underinsure against external financing shocks. The underinsurance is the result of excessive external borrowing together with a relative overinvestment in short-term assets. To restore efficiency, policymakers must complement liability-side instruments, such as unremunerated reserve requirements, with asset-side instruments, such as taxes on short-term assets. The proposed setup points to the systemic exposure to liquidity risk of banks as being the source of concern and the key vulnerability explaining output collapse after an external financing shock. The paper tests this positive implication by constructing an index that captures such exposure. The index, which extends a methodology recently introduced by Basel III, is constructed for a sample of 40 emerging markets and developing countries, covering the financial statements of 1,700 banks. It is shown that the index is a robust explanatory variable for unexpected output declines across emerging markets, after the Lehman's bankruptcy.

Part II: “Banks’ Funding Structure and Risk: Evidence from the Global Financial Crisis” (with Francisco Vazquez) [IMF working paper series - forthcoming]

This paper analyzes the evolution of bank funding structures in the run up to the global financial crisis and studies the implications for financial stability, exploiting a bank-level dataset that covers about 11,000 banks in the U.S. and Europe during 2001-09. The results show that banks with weaker structural liquidity and higher leverage in the pre-crisis period were more likely to fail afterward. The likelihood of bank failure also increases with bank risk-taking. In the cross-section, the smaller domestically-oriented banks were relatively more vulnerable to liquidity risk, while the large cross-border banks were more susceptible to solvency risk due to excessive leverage. The results support the proposed Basel III regulations on structural liquidity and leverage, but suggest that emphasis should be placed on the latter, particularly for the systemically-important institutions. Macroeconomic and monetary conditions are also shown to be related with the likelihood of bank failure, suggesting that further understanding of the systemic implications of banks’ risk-taking is warranted.

Part III: “Capital Flows, Financial Intermediaries and Monetary Policy in Emerging Markets” [mimeo]

Financial institutions in emerging market economies are the main intermediators of capital flows, often relying on foreign borrowing to finance their assets. I show that this is a robust empirical finding among major emerging market blocs. The resulting currency mismatch that arises when their assets are denominated in local currency can help explain why the monetary authorities of those countries react to exchange rate movements. The recent literature on optimal monetary policy in emerging markets has focused on models with financial frictions and liability dollarization at the level of non-financial corporations. It is extremely difficult for this class of models to find intervention as an optimal response of the monetary authority. I develop a monetary business cycle model with an explicit financial sector. Financing frictions coupled with high exposure to nominal risks make the balance sheet of financial institutions a powerful source of endogenous amplification of capital flows shocks. I show that the monetary authority optimally chooses to react to exchange rate movements in the modeled environment.

PERSONAL INFORMATION

Citizenships: Argentina, Italy Gender: Male Visa: F1