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NEW YORK UNIVERSITY

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Education

2015-21	Ph.D. Economics, New York University (Expected) <i>Thesis: Bank Lending Margins and the Exchange-Rate-Uncertainty Channel</i> <i>Henry MacCracken Fellowship</i>
2015-18	M.Phil. Economics, New York University, <i>GPA 3.8</i>
2013-15	M.Sc. Quantitative Economics, Indian Statistical Institute, Delhi <i>91.5%, Gold Medalist for Rank 1</i>
2010-13	B.A. Economics (Hons), Shri Ram College of Commerce, Delhi University <i>87%, Suniti Goyal Medalist for Rank 1</i>

References

Ricardo Lagos

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Simon Gilchrist

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Mark Gertler

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Research Fields

Macroeconomics, Monetary and Financial Economics, Panel Data Econometrics

Research Experience and Employment

2019-20	Visitor in Research, Federal Reserve Bank of New York
2018-19	Research Assistant for Simon Gilchrist, NYU
2018	Summer Intern, Reserve Bank of India
2016-18	Research Assistant for Mark Gertler and Simon Gilchrist, NYU <i>‘What Happened: Financial Factors in the Great Recession’, JEP 2018</i>
2015	Summer Research Assistant for Maitreesh Ghatak and Tim Besley, LSE
2014	Summer Intern, Citibank N.A., Delhi, India

Teaching Experience

2019, 20 (Fall)	Statistics (ECON-UA 18), NYU, Teaching Assistant for Alberto Bisin
2020 (Spring)	International Trade (ECON-UA 238), NYU, TA for Marc Lieberman
2019 (Summer)	Intermediate Macroeconomics (ECON-UA 12), NYU, Instructor
2019 (Spring), 2018 (Fall)	Intermediate Macroeconomics (ECON-UA 12), NYU, TA for Gerald M McIntyre
2016 (Fall)	Money and Banking (ECON-UA 231), NYU, TA for J Huston McCulloch

Fellowships and Awards

2015-21	Henry M. McCracken Fellowship
2018	C.V. Starr NYU FAS Economics Graduate Student Travel Grant
2015	Gold Medal, Rank 1, Indian Statistical Institute, Delhi
2013	Rank 1, Delhi School of Economics Entrance Examination
2013	Suniti Goyal Medal, Rank 1, Delhi University
2010	Amul Vidya Bhushan Award, Commerce Teachers' Association Award, for all India Rank 3, Delhi Rank 1 High School Examinations
2008-09	Times NIE Student of The Year Award

Working Papers

1. Bank Lending Margins and the Exchange-Rate-Uncertainty Channel

In this paper, I propose a novel '*Exchange Rate (ER) Uncertainty Channel*' to show the effects of increased volatility in the trade-weighted US dollar index for the US banking sector. Higher volatility in the exchange rate, leads to *retrenchment* by foreign banks from the US syndicated loans market (SLM). This entails a *loanable funds supply bottleneck* for US banks trying to finance their loans through syndicates. US banks respond with tighter credit standards. In response to a 1 standard deviation increase in ER volatility, US banks' net interest margin increase by 10 bps annualized, whereas balance sheets contract by 2-3 pp annualized. Both, the price and volume effect is stronger for US banks with *greater exposure to the SLM as measured by their loans-to-interest-earning-assets ratio*. Thus, volatility in the US dollar is a '*global risk indicator*' that significantly affects the US bank lending activity.

2. Inflation and Output Dynamics: Assessing the Strength of Network Effects

(with Simon Gilchrist, NYU and Econ Zakrajšek, BIS)

US industries are highly intertwined through complex demand and supply chains. We use a spatial dynamic factor model to assess the strength of network effects in each industry's response to demand shocks. Our empirical methodology allows us to decompose industry level responses into a direct effect and those resulting from network spillovers. Our results indicate that the US production sector exhibits strong network spillovers in response to a demand shock. This is particularly true for output, prices and wages where spillovers account for between 50-80% of the average industry response. In contrast, our estimates imply that the response of industry level employment is primarily due to the direct effects of aggregate fluctuations on industry activity. We also document that network spillovers are strongest in tradeable goods industries that are much farther down in the supply chain.

3. Black Money and Demonetization

(cited by Gopinath et al, QJE 2020)

On November 8 2016, government of India announced the surprise demonetization of ₹500 (US \$7.70) and ₹1000 (US \$15) bank notes, replacing them with new notes to crack down on the use of illicit and counterfeit cash. The sudden nature of the announcement and the prolonged cash shortages in the weeks that followed created significant disruption throughout the Indian economy. In this paper, I formulate a theoretical framework to explain some of the stylized facts of demonetization in India and characterize its implications on the stationary monetary equilibrium of the economy. The paper closely explains the tradeoff that agents face with regards to holding black money and evading taxes on one hand and getting heavily penalized if caught by the auditors on the other. The model shows how money laundering naturally emerges when the government compels agents to reveal their true taxable incomes via demonetization.

Research In Progress

4. Input Price Uncertainty and Markups

(with Abhishek Gaurav, Princeton University, and Melinda Suveg, Uppsala University)

In this paper, we propose a new channel to explain higher markups and incomplete pass-through of input prices to markups. Standard models in the literature often do not consider second-moment changes in input prices, that is, the uncertainty in costs the producers face while deciding prices. This uncertainty, along with the fact that prices are sticky in the sense that firms often choose prices knowing only their cost distribution and not the actual cost realization, might lead to much lower dividends than expected. As a result, firms have a precautionary motive to charge higher markups ex-ante and insure against high future cost uncertainty. We corroborate this with evidence on oil-price and real-exchange-rate volatility shocks in a large panel data of firms from Sweden. We find that higher cost uncertainty for firms with intensive use of oil or imports (respectively) leads to an increase in markups by 3%-7% annualized.

Conferences

2018-20	NYU Macro Lunch (Presenter, Organizer)
2019	Young Economists Symposium, Columbia University (Presenter)
2018	Annual Conference on Economic Growth and Development, ISI Delhi (Presenter)
2017	Princeton Initiative: Macro, Money and Finance, Princeton University
2016-19	NYU Search Theory Workshop

Technical Skills

- R, STATA, MATLAB, PYTHON, L^AT_EX, SAS, Microsoft Office Suite
- Machine Learning, Actuarial Science (CT 1,3,7)

Personal Information

- Citizenship: India
- Languages: English(native), Hindi(native), French(elementary)