

Paul E. Soto

CONTACT INFORMATION

Office 20.146, Ramon Trias Fargas, 25-27
Department of Economics and Business
Universitat Pompeu Fabra
08005 Barcelona, Spain

Office: (+34) 935 42 26 88
Cell: (+34) 652 02 69 53
E-mail: paul.soto@upf.edu
Citizenship: United States of America

REFERENCES

Professor José Luis Peydró (main advisor)
Universitat Pompeu Fabra
jose.peydró@upf.edu

Professor Rajkamal Iyer
Imperial College
r.iyer@imperial.ac.uk

Professor Stephen Hansen
University of Oxford
stephen.hansen@economics.ox.ac.uk

Professor Andrea Polo (co-advisor)
Universitat Pompeu Fabra
andrea.polo@upf.edu

RESEARCH INTERESTS

Empirical Banking, Financial Intermediation, Natural Language Processing

EDUCATION

Universitat Pompeu Fabra, Barcelona, Spain

PhD, Economics, expected Summer 2018

MRes, Economics, June 2014

Barcelona Graduate School of Economics, Barcelona, Spain

MSc, Economics, June 2013

University of California, Berkeley, Berkeley, California USA

BA, Applied Mathematics, December 2011

ACADEMIC EXPERIENCE

TEACHING ASSISTANT

Text Mining for Social Science, MSc Data Science, Barcelona Graduate School of Economics
Spring 2017 Received 4.7/5.0 average rating from student evaluations

Systemic Risk, Crises and Policy, MSc Finance, Barcelona Graduate School of Economics
Spring 2016-2017 Received 4.05/5.0 average rating from student evaluations

Financial Modelling, MSc Finance, ESADE Business School
Fall 2015-2016

Probability; Financial Economics; Corporate Finance, Universitat Pompeu Fabra
Fall 2013- Spring 2017

RESEARCH ASSISTANT

Professor Stephen Hansen, Barcelona Graduate School of Economics	October 2014-October 2016
Professor Albrecht Glitz, Barcelona Graduate School of Economics	October 2015-August 2015

CONFERENCES AND WORKSHOPS

UPF Finance Seminar (October 2017) Barcelona GSE Jamboree (May 2017) CREI International Lunch (2016) Barcelona GSE Jamboree (April 2015) European School on New Institutional Economics (May 2014)

RESEARCH PAPERS	“Breaking the Word Bank: Effects of Verbal Uncertainty on Bank Behavior”	
	(Job Market Paper)	
	Banks differ from non-financial firms as they must communicate to both regulators and shareholders, possess opaque and complex balance sheets, and are the main providers of credit to the real economy. In this paper, I propose a new index to detect the <i>idiosyncratic uncertainty</i> banks face at the bank-quarter level. The index uses a recent natural language processing technique, called Skip-gram Model, to discover a novel list of “uncertainty” words based on semantic and syntactic similarities. I use the frequencies of these words in banks quarterly conference calls as a proxy for bank-level uncertainty. The index spikes at the beginning of the 2007-2009 financial crisis and reveals which banks at a given quarter signal more uncertainty about their balance sheets. Higher uncertainty is associated with lower lending the next quarter and larger securities portfolios, suggesting active management of uncertainty by moving from lending to holding liquid assets. The active management of uncertainty is more pronounced during periods of higher aggregate volatility and for banks with more skin-in-the-game.	
	“Dressing up for the Regulator: Evidence from the Largest-Ever Supervisory Review”	
	(in progress)	
	(with Puriya Abbassi, Rajkamal Iyer, José Luis Peydró)	
	Widespread government regulation requires effective supervision, but regulated entities may embezzle information. To identify window-dressing to supervisors, we analyze banks exploiting a quasi-natural experiment ECBs 2014 asset quality review (AQR) in conjunction with the security and credit registers. After the AQR announcement, reviewed banks decrease riskier securities and loans, and also overall securities and credit supply. After AQR compliance, reviewed banks reload riskier securities, but not riskier credit. All effects are stronger for reviewed banks with higher trading book activity. Overall, results suggest that banks window-dress in supervisory audits, especially on their liquid assets which are easy to change fast.	
	“Capital Controls and the Supply of Credit: Evidence from Colombia”	
	(in progress)	
	(with Andrea Fabiani, Martha López Pineros and José Luis Peydró)	
PROFESSIONAL EXPERIENCE	Research Intern , <i>Deutsche Bundesbank</i> , Frankfurt, Germany	January 2016 - August 2016
	Credit Intern , <i>Moody’s Analytics</i> , West Chester, PA	June 2014 - September 2014
	Trade Intern , <i>Alpha Cubed Investments</i> , Newport Beach, CA	January 2012 - August 2012
	Intern , <i>Morgan Stanley Smith Barney</i> , San Francisco, CA	December 2010 - June 2011
SKILLS	Spoken Languages: Fluency in English and Spanish; Proficiency in French; Basic Portuguese	
	Computer Languages: Python, R, MATLAB, MongoDB, VBA, L ^A T _E X, Basic Unix/Linux	
	Applications: Amazon AWS, Stata, common Windows database	