

# Benoît Nguyen

Banque de France

Monetary policy and financial studies division [benoit.nguyen@banque-france.fr](mailto:benoit.nguyen@banque-france.fr)

31 rue Croix des Petits Champs,

<http://benoitnguyen.github.io>

75001 Paris France

Office: +33 1 42 92 94 62

38 year-old, married, two children

Positions held	<b>Banque de France DG-Research</b> Senior economist (02/2019), Expert economist (09/2019), Senior expert economist (since 09/2021) in the Monetary policy and financial studies division Co-lead of the workstream on reserve demand of the Eurosystem's Review of the operational framework (Dec 2022-Dec-2023) <i>Research interests: monetary policy implementation, empirical asset pricing, portfolio allocation, crypto-assets</i>	Since 2019
	<b>European Central Bank, DG-Economics</b> Seconded (ESCB/IO) in Monetary policy strategy division, Policy assessment section <i>Contributions to the briefing of the ECB Executive board and the Governing Council, analytical work on the ECB operational framework</i>	09/2018- -02/2019
	<b>Banque de France DG-Research</b> Research economist in the monetary policy and financial studies department Member of the Eurosystem's taskforce "Monetary policy framework in the long-run" ("LIFE")	2014-2018
	<b>Banque de France DG-Market Operations</b> <i>Monetary policy implementation, market monitoring and FX operations, policy briefing</i>	2009-2014
Education	<b>Université Paris 1 Panthéon-Sorbonne</b> PhD in Economics <i>Supervisor: Prof. Hubert Kempf, External examiners: Denis Gromb (HEC), René Garcia (U. Montreal &amp; TSE), Antoine Martin (New York Fed), Florian Heider (ECB)</i>	2014-2018 Nov. 2018
	<b>University of Bordeaux</b> MRes, Economics and finance	2009
	<b>Sciences Po Bordeaux</b> Master's degree in political science	2008

Conferences	EFA 2023 (Aug 2023), SNB-CIF Conference on Cryptoassets and Financial Innovation (May 2023), 6th Fed-Maryland Short-Term Funding Markets Conference (May 2023), St Gallen School of Finance Research Seminar (Mar 2023), Bank of England BEAR conference (Feb 2023), AEA-ASSA Annual Meeting (Jan 2023), CEBRA (Aug 2022), IBEFA (June 2022), Skema-ESSEC Finance Workshop (May 2022), ESCB Research Cluster on Monetary Economics (November 2021), GRASFI Conference (September 2021), Federal Reserve of San Francisco Finance seminar (September 2021), EFA 2021 (August 2021), EABCN Conference on Empirical Advances in Monetary Policy (October 2020), Federal Reserve of San Francisco and Bank of Canada 7th Advances in fixed income macro-finance research conference (San Francisco, Oct 2019), EEA annual conference (Manchester, Aug 19), IPAG research seminar (Paris, Feb 2019), ECB money market workshop (discussant) (Frankfurt, Nov 2018), CEBRA-SAFE Annual Meeting (Frankfurt, Aug 2018), Chicago Fed finance seminar (Chicago, Oct 2017), ECB Money market workshop, (Frankfurt, Oct 2017), Banco de Espana Empirical monetary economics conference (Madrid, Sep 2017), AEA-ASSA Annual meeting (Chicago, Jan 2017), OFCE Sciences Po Empirical monetary economics conference (Paris, Dec 2016)
Refereeing	International Journal of Central Banking, Journal of Monetary Economics, Journal of International Money and Finance, International Journal of Finance & Economics, Review of international economics, European Economic Review, Journal of Financial Stability, ECB working papers series, BoE working papers series, Deutsche Bundesbank working papers series.
Memberships	AEA, EFA, IBEFA (member of the scientific committee for the annual meeting in 2023, 2024)
Languages	French (native), English (proficient), German (notions)
Programming	R, Python, Stata, Matlab, SQL/Impala Extensive research experience with large datasets commonly used in the Eurosystem (Securities Holdings Statistics (SHS-S/G), Money market statistical reporting (MMSR), AnaCredit, bank balance sheet data (IBSI/IMIR))

## Research

### Peer-reviewed publications

**Inspecting the Mechanism of Quantitative Easing in the Euro Area** with Ralph S.J. Koijen, François Koulischer & Motohiro Yogo. *Journal of Financial Economics* (Apr 2021).

Using new data on security-level portfolio holdings by investor type and for all countries in the

euro area, we study portfolio rebalancing during the European Central Bank’s (ECB) purchase programme that started in March 2015. To quantify changes in risk concentration, we estimate the evolution of the distribution of duration, government, and corporate credit risk exposures across investor sectors and regions until the last quarter of 2017. We estimate a sector-level asset demand system using instrumental variables to connect the dynamics of portfolio rebalancing to asset prices. Our estimates imply that government yields declined by 63bp, on average, and the estimates range from -37bp to -77bp across countries.

<https://doi.org/10.1016/j.jfineco.2020.11.006>

**The Scarcity Effect of Quantitative Easing on Repo Rates: Evidence from the Euro Area** with W. Arrata, I. Rahmouni-Rousseau and M. Vari, *Journal of Financial Economics* (Sept 2020).

In this paper, we explore empirically the interactions between the PSPP and repo rates. We document different channels through which asset purchases may affect them. Using proprietary data from PSPP purchases and repo transactions for specific (“special”) securities, we assess the scarcity channel of PSPP and its impact on repo rates. We estimate that purchasing 1 percent of a bond outstanding is associated with a decline of its repo rate of 0.78 bps.

<https://doi.org/10.1016/j.jfineco.2020.04.009>

**Monetary policy, illiquid collateral and bank lending during the European sovereign debt crisis** with J. Barthelémy, and V. Bignon, *Economics and statistics* (2017)

This paper assesses the effect on banks’ lending activity of accepting illiquid collateral at the central bank refinancing facility in times of wholesale funding stress. Panel regression estimates show that the banks that pledged more illiquid collateral with the Eurosystem reduced less their lending to non-financial firms and households: a one standard deviation increase in the volume of illiquid collateral pledged corresponded to a 1.1 % increase in loans to the economy.

[http://www.persee.fr/doc/estat\\_0336-1454\\_2017\\_num\\_494\\_1\\_10784](http://www.persee.fr/doc/estat_0336-1454_2017_num_494_1_10784)

**Euro-Area Quantitative Easing and Portfolio Rebalancing** with Ralph S.J. Koijen, François Koulischer Motohiro Yogo *American Economic Review, Papers and proceedings* (May 2017).

We use new granular data on institutional investors portfolio holdings to assess the rebalancing channel at play in response to the ECB asset purchase program. In response to the program, foreign investors sold most of the purchase-eligible government bonds. Banks also sold purchase-eligible government bonds to a lesser extent, but insurance companies and pension funds bought them.

<https://www.aeaweb.org/articles?id=10.1257/aer.p20171037>

## Policy notes and peer-reviewed short publications

**A Tiering Rule to Balance the Impact of Negative Policy Rates on Banks** with M. Girotti and J.G- Sahuc, *Finance Research Letter* (Sept 2021).

Negative interest rate policy makes excess liquidity costly to hold for banks and this may weaken the bank-based transmission of monetary policy. We design a rule-based tiering system for excess reserve remuneration that reduces the burden of negative rates on banks while ensuring that the central bank keeps control of interbank interest rates. Using euro-area data, we show that under the proposed tiering system, the aggregate cost of holding excess liquidity when the COVID-19 monetary stimulus fully unfolds would be more than 36% lower than that under the ECB’s current

system.

<https://doi.org/10.1016/j.frl.2021.102589>

## Working papers

**Stablecoins and the financing of the real economy** with J. Barthélémy and P. Gardin (Nov 2021, new version Oct 2022, submitted)

Stablecoins are crypto-assets that aim to maintain their value stable relative to a fiat currency. This paper documents one implication of their massive growth since 2020 for the financing of the real economy. The largest stablecoins manage their peg with the US dollar by holding short-term safe assets. We identify changes in the stablecoin demand for US dollar-denominated commercial papers (CP) by exploiting cross-sectional and time-varying heterogeneity in the main stablecoins' reserve assets policy. We show that CP issuers catered to the additional demand from stablecoins by issuing more, illustrating the implications of stablecoins for financial stability and the financing of the real economy.

<https://dx.doi.org/10.2139/ssrn.3973538>

**Should we pay banks to lend? Evidence from the Eurosystem's TLTRO and the euro area credit registry** with Emilie Da Silva, Vincent Grossmann-Wirth, and Miklos Vari (Nov 2021, submitted).

Since March 2020 the Eurosystem has provided subsidies to Euro-Area banks, via its Targeted Longer-Term Refinancing Operations (TLTRO). Under this program, banks can borrow from the Eurosystem at a rate as low as -1%, conditional on their lending to the real economy. This paper uses a simple theoretical model to disentangle between “targeted” and “profitability” channels. We test those channels on the new Euro-Area credit registry data (AnaCredit). To overcome reverse causality, we employ novel identification strategies based on TLTRO parameters set before the pandemic and unexpected changes afterwards. We find support for both channels and conclude the targeted channel is marginally stronger.

<https://dx.doi.org/10.2139/ssrn.3968921>

**Assessing the dynamic effects of the ECB's Asset Purchase Programme** with Stéphane Lhuissier (Mar 2021, submitted).

This paper estimates the dynamic effects of the ECB's asset purchase programme (APP) using a proxy structural vector autoregression. We construct our proxy for structural APP shocks as unexpected changes in the size of additional purchases announced by the ECB. Unexpected changes are inferred on the basis of public expectations released in quantitative surveys just before the monetary policy announcements. We find a shock to APP of one percent of GDP leads to a maximum impact in industrial production and consumer prices by 0.15 percent and 0.06 percent, respectively. Our counterfactual analyses indicate inflation would have fallen into negative territory without December 2015 and March 2016 APP recalibrations.

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3802359](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3802359)

**Showing off cleaner hands: mandatory climate-related disclosure by financial institutions and the financing of fossil energy** with Jean-Stéphane Mésonnier (Jan 2021, submitted)

We investigate the real effects of mandatory climate-related disclosure by financial institutions on

the funding of carbon-intensive industries. A French law, first of its kind, came into force in January 2016 and requires institutional investors (i.e., insurers, pension funds and asset management firms), but not banks, to report annually on both their climate-related exposure and climate change mitigation policy. Using a unique dataset of security-level portfolio holdings, we find that investors subject to the new disclosure requirements curtailed their financing of fossil energy companies by some 40% compared to investors in the control group.

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3733781](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3733781)

**Price Impact of Bond Supply Shocks: Evidence from the Eurosystem’s Asset Purchase Program** with W. Arrata, Banque de France Working Paper No. 623 (March 2017, permanent working paper)

We use new daily security-level data and test the impact of the Eurosystem’s Public sector purchase program (PSPP) on bond returns in the French bond market. We investigate three possible types of supply shocks: related to the cumulative past purchases (“stock”) since the start of the program, the transactions themselves on the day of the purchase (“flow”), and the variation in the expected total size of the program (“expected stock”). Our results show that having purchased 10% of a bond outstanding correlates with a decrease in yield of about -13 bps to -26 bps on average in the first year of implementation of the program, with bigger effects in the most illiquid segments. Set aside very particular conditions, we don’t find any significant supplemental effect from flows, presumably in line with the market neutrality objective of the Eurosystem.

<https://ssrn.com/abstract=2952363>

## Other contributions, blog posts

**French sovereign debt liquidity: main factors, recent developments and resilience during the Covid crisis** with E. Lecomte, T. Legrand, A. Rossi (May 2023)

[Banque de France Quarterly Bulletin](#)

**How well have ECB rate hikes been transmitted to the money market?** with M. Vari (Nov 2022)

[Banque de France’s Blog](#)

**How did the Eurosystem’s collateral strategy adapt to the Covid-19 crisis?** with B. Brueckner and P. Lez (Oct 2022) [Banque de France Quarterly Bulletin](#)

**Crypto-assets and financial stability: are there any contagion risks?** with J. Barthélémy and P. Gardin (Nov 2021)

[Banque de France’s Blog](#)

**Do mandatory climate-related disclosures by financial institutions speed up fossil fuel divestment?** with J.-S. Mésonnier (July 2021)

[UN PRI Academic Blog](#)

**Restarting asset purchases in the euro area: Lessons from €2 trillion of ECB purchases**, with R.Koijen, F.Koulischer and M.Yogo (September 2019)

<https://voxeu.org/article/restarting-asset-purchases-euro-area>

**QE in practice: what does market neutrality mean?** with J. Dalbard (August 2018)

<https://blocnotesdeleco.banque-france.fr/en/blog-entry/qe-practice>

**Eurosystem asset purchases and portfolio rebalancing in the euro area** with Koijen Ralph S.J., Koulischer François, and Yogo Motohiro, (April 2018) Rue de la Banque no. 60.

**No excessive risk in the quality of collateral pledged with the Eurosystem during the crisis** with Jean Barthélemy and Vincent Bignon (March 2018)

<https://blocnotesdeleco.banque-france.fr/en/blog-entry/no-excessive-risk>

**Business cycles and Taylor rules in the euro area** (May 2017) [https://blocnotesdeleco.](https://blocnotesdeleco.banque-france.fr/en/blog-entry/business-cycles-and-taylor-rules-euro-area)

[banque-france.fr/en/blog-entry/business-cycles-and-taylor-rules-euro-area](https://blocnotesdeleco.banque-france.fr/en/blog-entry/business-cycles-and-taylor-rules-euro-area)