

Brian Amorim Cabaço

University College London, Department of Economics

Email: brian.cabaco.17@ucl.ac.uk Website: brian-amorim-cabaço.github.io

Citizenship: Portuguese Visa: UK EU Settled Status

Education

PhD in Economics, University College London	2020-Present
MRes in Economics, University College London (<i>with distinction</i>)	2018-2019
MSc in Economics, University College London (<i>with distinction</i>)	2017-2018
BSc in Economics, University of Lausanne	2014-2017

Fields

Macroeconomics, Applied Macroeconometrics

References

Prof. Morten O. Ravn (*primary*)

Department of Economics
University College London
m.ravn@ucl.ac.uk

Associate Prof. Daniel J. Lewis

Department of Economics
University College London
daniel.j.lewis@ucl.ac.uk

Prof. Vincent Sterk

Department of Economics
University College London
v.sterk@ucl.ac.uk

Working Papers

Job Market Paper

The Macroeconomic Effects of Mergers and Acquisitions in the United States

Abstract: I study the macroeconomic impact of merger waves in the United States since 1980 and document these have generated substantial economic losses. Using firm-level event studies, I provide new evidence that merger announcements generate positive abnormal returns for acquirers and their competitors, but not the targets' competitors, patterns inconsistent with industry signaling channels and instead suggesting anticompetitive effects. I aggregate the estimated abnormal returns to construct a novel proxy for merger activity and show consolidation waves predict persistent declines in GDP and labor productivity alongside rising prices. To rationalize these findings, I develop a firm dynamics model with an auction-based market for mergers and variable markups that successfully replicates merger matching patterns, firm sales concentration, and the markup distribution. The model reveals mergers lead to large welfare losses through worsened allocative efficiency from higher markups and reduced firm entry.

Antitrust, Market Power, and U.S. Economic Outcomes with Morten O. Ravn

Abstract: We provide a narrative record of U.S. federal antitrust indictments from the mid-1950s to 2023. We document a fundamental shift in antitrust enforcement from civil non-merger and criminal cases toward civil merger cases around 1980. Focusing on publicly listed firms, we estimate significant negative abnormal returns following indictments and use these to construct a measure of antitrust activity. Estimates of the dynamic impact at the 2-digit sector and aggregate levels show that higher antitrust activity stimulates competition, with contrasting effects between case types. Civil non-merger and criminal cases are associated with higher markup dispersion, lower R&D investment, and reduced economic activity at both levels. Civil merger cases are instead associated with lower markup dispersion, and while they reduce activity in treated sectors, they stimulate aggregate GDP, consumption, and R&D investment.

Monetary Policy Identification and Transmission: A Narrative High-Frequency Approach with Adriana Grasso

Abstract: We identify four dimensions of monetary policy in the euro area using narrative restrictions applied to high-frequency data. By leveraging well-known historical episodes—such as Mario Draghi’s “whatever it takes” speech—we can separately identify conventional policy, forward guidance, quantitative easing, and asymmetric country risk premia shocks using a single narrative restriction per shock. After controlling for predictability in high-frequency asset movements and state-dependent variance in a Bayesian factor model, we find limited evidence for the importance of information shocks. We use our shock measures to estimate the aggregate effects of monetary policy instruments. We implement a Bayesian VAR with distributed lags and stochastic volatility that allows for overidentifying restrictions on the impulse responses. We find that tightening along any monetary policy dimension causes declines in activity and inflation, though magnitudes vary considerably. Forward guidance has marginal effects on economic variables, while asset purchases induce larger impacts, but both remain less potent than conventional policy.

Work in Progress

The Macroeconomic Effects of Currency Movements

Abstract: I provide the first semi-structural estimates of exchange rate effects on macroeconomic aggregates in an emerging market using a granular instrumental variable (Gabaix and Koijen, 2024) constructed from financial fund equity flows into South Africa. I find that appreciations against the USD are inflationary and cause expansions in output and credit—responses resembling credit shocks rather than traditional trade effects. I document a powerful exchange rate credit channel: in countries with substantial foreign-denominated debt, local currency appreciations reduce debt burdens, spurring higher credit. These findings reveal that the USD matters both as the trade invoicing currency and the funding currency for debt. USD-denominated liabilities constrain domestic monetary policy autonomy in emerging markets while extending the reach of the US Federal Reserve, underscoring the need for international central bank cooperation.

Seminars and Conferences

2025: Surrey-UCL-ESSEX-SOTON Workshop in Macroeconomics, UCL Stone Center, UCL Macro Reading Group

2024: ECB DG Monetary Policy Internal Seminar, ECB DG Monetary Policy Monetary Strategy Seminar x2, UCL Macro Reading Group

2023: UCL Macro Reading Group, UCL PhD Seminar

2022: UCL Macro Reading Group, UCL PhD Seminar

2021: UCL Upgrade Seminar

Fellowships and Awards

PhD in Economics Scholarship, Department of Economics at UCL	2024-Present
PhD Scholar Research Grant, James M. and Cathleen D. Stone Centre at UCL	2024
ESRC Graduate Studentship	2020-2023
ESRC Studentship Enhancement for Advanced Quantitative Methods	2020-2023

Teaching Experience

University College London, Graduate, Macroeconomics	2020-Present
University College London, Undergraduate, Macroeconomic Theory and Policy	2020-2021

Professional Experience

European Central Bank, DG Monetary Policy, External Consultant	2024-Present
European Central Bank, DG Monetary Policy, PhD Trainee	2024
London Economics, Economic Analyst	2020-2021

Skills

Software: Python, Matlab, R, SQL, Stata, VBA

Languages: French (native), English (fluent), Portuguese (fluent), German (basic)