Brian Amorim Cabaço

University College London, Department of Economics
Email: brian.cabaco.17@ucl.ac.uk Website: brian-amorim-cabaco.github.io
Citizenship: Portuguese Visa: UK EU Settled Status

Education

PhD in Economics, University College London	2020-Present
MRes in Economics, University College London (*with distinction*)	2018-2019
MSc in Economics, University College London (*with distinction*)	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

Assistant 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: This paper studies the macroeconomic effects of merger waves in the U.S. since 1980. I estimate substantial welfare losses from anticompetitive channels dominating efficiency gains. Firm-level event studies of merger announcements show that merging firms and acquirers' competitors earn positive returns while targets' competitors do not. These patterns are inconsistent with theories emphasizing industry health signaling and future takeover prospects, but indicate instead mergers reduce competitive pressure for rivals. Aggregating estimated abnormal stock returns into a novel proxy for merger activity, I show consolidation waves predict persistent declines in economic activity, falling labor productivity, and rising prices. I calibrate a general equilibrium firm dynamics model with auction-based competition for targets and variable markups that successfully replicates matching patterns, market concentration, and the markup distribution. The model rationalizes the empirical findings through worsened allocative efficiency from higher markups and firm entry.

Market Power, Antitrust 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 two-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, 2021) 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)