

## Cristian Cuevas

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### EDUCATION

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*Ph.D. in Economics* 2017 – 2023 (expected)  
Georgetown University, Washington, DC, USA

**Thesis:** “Essays on Safe Assets and the Macroeconomy”.

**References:** Dan Cao (main advisor), Behzad Diba, Toshihiko Mukoyama.

*MA Economics* 2011 – 2012  
Catholic University of Chile, Santiago, Chile

*BA Economics* 2007 – 2011  
Catholic University of Chile, Santiago, Chile

### RESEARCH FIELDS

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**Primary:** Macroeconomics, International Finance, Monetary Policy

**Secondary:** Asset Pricing

### WORKING PAPERS (see the abstracts on the last page)

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“Safe Assets in Emerging Market Economies”, Job Market Paper.

“The Liquidity Premium on Government Debt under a Floor System of Monetary Policy”, August 2022.

“Convenience Yields and Monetary Policy”, work in progress.

### CONFERENCES

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2022: Georgetown Macro Conference, Midwest Economic Association, Georgetown Economics Department.

2021: Georgetown Macro Conference, Southern Economic Association.

### SCHOLARSHIPS and AWARDS

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Ph.D. Graduate School Fellowship, Georgetown University 2017 – Present

Conference Travel Grant, Georgetown University 2022

Summer Dissertation Fellowship, Georgetown University Summer 2020

MA Dissertation Scholarship, Catholic University of Chile 2012

## RESEARCH AND PROFESSIONAL EXPERIENCE

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<i>Research Assistant</i> , Prof. Dan Cao, Georgetown University	2019
<i>Researcher</i> , Center for Financial Studies, University of the Andes, Chile	2015 – 2017
<i>Economist</i> , Research Division, Bank of Chile	2014 – 2015
<i>Advisor to the Chairman</i> , Superintendence of Securities and Insurance, Chile	2013 – 2014

## TEACHING EXPERIENCE (GEORGETOWN UNIVERSITY)

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International Finance (Undergraduate), Instructor	Summer 2019
Intermediate Macro (Undergraduate), Teaching Assistant	Fall 2018-Spring 2020-Fall 2020
International Finance (Undergraduate), Teaching Assistant	Fall 2019-Spring 2021-Spring 2022
Financial Economics (Graduate), Teaching Assistant	Spring 2019

## PRE-Ph.D. RESEARCH

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“A new look at Financial Inclusion in Chile” [in Spanish], *Estudios Publicos* 143, Winter 2016.

“Market Makers and Liquidity Provision in Chile” [in Spanish], Working Paper No 12, Superintendence of Securities and Insurance, 2014.

## SKILLS

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**Software:** Matlab, Stata, Latex, Global DSGE toolbox (see [www.gdsge.com](http://www.gdsge.com))  
**Language:** English (fluent), Spanish (Native)

## REFERENCES

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Dan Cao, Associate Professor, Dept. of Economics, Georgetown University (Main advisor)  
Contact: [Dan.Cao@georgetown.edu](mailto:Dan.Cao@georgetown.edu)

Behzad Diba, Professor, Dept. of Economics, Georgetown University  
Contact: [dibab@georgetown.edu](mailto:dibab@georgetown.edu)

Toshihiko Mukoyama, Professor, Dept. of Economics, Georgetown University  
Contact: [tm1309@georgetown.edu](mailto:tm1309@georgetown.edu)

## OTHER INFO

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Citizenship: Chilean.  
Address: 4300 Garrison St, NW, Washington, DC.  
Hobbies: Running, Tennis, History.

## ABSTRACTS

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### “Safe Assets in Emerging Market Economies”

**Abstract:** Investors pay a premium for the safety and liquidity of US Treasuries compared to private comparable US debt -they enjoy a Safe Asset status. Similarly, I estimate that investors pay more than 30 basis points for the safety and liquidity of local-currency sovereign bonds of a group of nine emerging economies. However, important differences remain with respect to US Treasuries: the premium comes mainly from local investors, and the safe asset status is procyclical. I show that this procyclicality is driven by the competition of the local sovereign bond with a global safe asset during downturns. I extend the real-small open economy model to incorporate preferences for safe assets, which are satisfied by either foreign or local sovereign bonds. I use the model to derive implications for policy: unconventional monetary policy in the form of emergency liquidity provision (used by many emerging economies during 2020) is less effective when facing a downturn, as investors prefer the dollar liquidity; accordingly, bond market segmentation between local and foreign bonds improves the effectiveness of unconventional monetary policy. The model also includes the chance of sudden stops: it predicts the behavior of local-currency convenience yields and the effectiveness of local-currency tools to fight it.

### “The Liquidity Premium on Government Debt under a Floor System of Monetary Policy”

**Abstract:** Can a government exhaust the liquidity premium on its debt by borrowing too much? Well known empirical evidence suggests no: it is the monetary policy rate that sets the liquidity premium, regardless of how much the government borrows. I show that this result fails to consider the supply of central bank liquidity as a confounding factor. I isolate the causal impact of government debt and the interest rate by analyzing the liquidity premium under a floor system, where the interest on reserves and their supply are disentangled. A simple model uncovers novel interactions between fiscal and monetary policy.