

Fernando Mendo

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AFFILIATIONS

Pontifical Catholic University of Rio de Janeiro , Economics Department	
Assistant Professor	2022-
Central Bank of Chile , Economic Research Department	
Senior Economist	2019- 2021
World Bank , Peru Country Office (pre-doctorate)	
Junior Professional Associate	2011- 2013

EDUCATION

Princeton University	
Ph.D. Economics	2019
M.A. Economics	2015
Pontificia Universidad Católica del Perú	
Applied Mathematics	2013
Universidad del Pacífico	
M. Sc. Economics, <i>Valedictorian</i>	2012
B. Sc. Economics, <i>Valedictorian</i>	2010

RESEARCH FIELDS

Primary fields: Macro-finance, Monetary Economics

WORKING PAPERS

Rational Sentiments and Financial Frictions (with Paymon Khorrami)

We discover sentiment-driven equilibria in models with imperfect risk-sharing, where sentiment dynamics resemble uncertainty shocks, shaping aggregate fluctuations. Rational sentiment resolves puzzles in financial modeling, explaining sudden crises and predictive asset price behaviors.

Fear, Indeterminacy, and Policy Responses (with Paymon Khorrami)

We unveil self-fulfilled volatility in the canonical (nonlinear) New Keynesian model, finding it resilient to traditional monetary policy rules but tame through risk-premium targeting or active fiscal policy.

Risky low-volatility environments and the stability paradox

Can low risk be risky? Low-risk environments in the macro-financial model may paradoxically conceal vulnerability to self-fulfilled panics, driven by debt use in moderately capitalized financial sectors, challenging stability with heightened exposure to collapses despite apparent stability.

Safety Traps in a Global Economy (with Julius Vutz)

We examine the repercussions of safe asset shortages, uncovering a liquidity trap that depresses output globally. While safe public debt provision stimulates global output, it imposes burdens primarily on the issuing country, resulting in a shortfall in safe debt provision.

WORK IN PROGRESS

Deep learning based probabilistic solution method: macro-finance and asset pricing models (with Ji Huang)

Central Bank Balance Sheet Policies: A Comparative Statics Approach (with Saki Bigio, Tobias Linzert, Julian Schumacher, and Dominik Thaler)

Monetary policy, risk premia, and financial markets (with Alejandro Van der Ghote)

Bad luck in renegotiation timing: the case of credit lines in Spain (with Alonso Villacorta and Jose Gutierrez)

TEACHING EXPERIENCE

As professor

PUC Rio, Brazil

Heterogeneity and Market Incompleteness in Macroeconomics (Graduate level) 2022,2023

Introduction to Monetary Economics (Graduate level) 2023

Macro, Money, and Finance: a continuous-time approach (Graduate level) 2023,2024

Universidad del Pacífico, Peru

Mini-course on Macro, Money, and Finance (Graduate level) 2023

As teaching assistant

Princeton University, USA

ECO315 Topics in Macroeconomics (Nobuhiro Kiyotaki) 2018

ECO467 Institutional Finance (Stephan Luck) 2017, 2018

ECO301 Macroeconomics (Iqbal Zaidi) 2016, 2017

ECO525 Financial Economics (Markus Brunnermeier) 2015

ECO353 International Monetary Economics (Mark Aguiar) 2015

Universidad del Pacífico, Peru

Graduate Microeconomic Theory (Guillermo Díaz) 2011

Econometric Theory II (Carlos Casas) 2011

Macroeconomic Theory I (Juan F. Castro) 2010, 2011

Mathematics III (Antonio Ortiz) 2010

Economics of Education and Labor (Gustavo Yamada) 2010

Econometric Theory I (Juan F. Castro) 2009, 2010

Microeconomic Theory II (Giovanna Priale) 2008

RESEARCH ASSISTANT EXPERIENCE

Research Assistant for Saki Bigio, Columbia University 2014

Research Assistant for Juan F. Castro, Universidad del Pacífico 2009-2011

Research Assistant for Gustavo Yamada, Universidad del Pacífico 2009-2011

HONORS, AWARDS AND FELLOWSHIPS

Macro Financial Modeling Dissertation Fellowship, Becker Friedman Institute 2018

Griswold Center for Economic Policy Studies Fellowship, Princeton University 2018-2019

International Economics Section Summer Fellowship, Princeton University 2016

Princeton University Graduate Fellowship 2013-2018

Universidad del Pacífico Graduate Fellowship	2010-2012
Beta Gamma Sigma (Business Honor Society)	2013
Valedictorian, Highest GPA ever recorded (1st/64 graduates since 2006), Special Robert Maes Award.	
Graduate Program in Economics, Universidad del Pacífico.	2012
Valedictorian, Highest GPA ever recorded (1st/2,535 graduates since 1962), Special Robert Maes Award, Robert Maes Award. Undergraduate Program, Universidad del Pacífico.	2010
Dean's Honor List, Universidad del Pacífico.	2006-2009
Best Freshman Award (1st/475), Universidad del Pacífico.	2006

PROFESSIONAL ACTIVITIES

SEMINARS AND CONFERENCES

2018: Macro Financial Modeling Summer Meeting, Civitas Foundation Finance Seminar (Princeton University), Chicago Booth Asset Pricing Conference (poster), Finance Lunch Seminar (Princeton University), Macro and International Macro Student Workshop (Princeton University).

2019: Kellogg School of Management (Northwestern University), Robert H. Smith School of Business (University of Maryland), University of Rochester, Universidad Los Andes, Universidad de Chile, Banco Central de Chile, Fourth International Workshop in Financial Econometrics (poster), Latin American Meeting of the Econometric Society (LACEA-LAMES), Banco de Mexico 3rd Conference on Financial Stability, RIDGE Financial Stability Workshop, 7th Paris Financial Management Conference, III Santiago Macroeconomics Workshop.

2020: World Congress Econometric Society, Imperial College Business School (internal seminar)*, International Conference on Computing in Economics and Finance (CEF)**, Financial Intermediation Research Society (FIRS) Workshop.**

2021: University of Southern California*, Macro-Finance Society workshop*, European Finance Association meetings, the virtual Junior European Finance series*, Imperial College*, LACEA LAMES, Central Bank Macroeconomic Modelling Workshop, Meeting of Central Bank Researchers Network, the Central Bank of Chile.

2022: CESifo Area Conference on Macro, Money, and International Finance, LACEA LAMES, PUC Rio, Universidad Adolfo Ibañez.

2023: Insper Instituto de Ensino e Pesquisa, FGV Escola de Economia de São Paulo, Annual Meeting of the Brazilian Econometric Society, CESifo Area Conference on Macro, Money, and International Finance, LACEA LAMES.

*Presented by co-author, ** Postponed or canceled due to COVID.

DISCUSSIONS

1. *The Real Response to Uncertainty Shocks: the Risk Premium Channel* by Lorenzo Bretscher, Alex Hsu and Andrea Tamoni, Santiago Finance Workshop, 2019
2. *How Do Banks Respond to NPLs?* by Brunella Bruno and Immacolata Marino, Paris Financial Management Conference, 2019
3. *Leaning Against the Wind: An Empirical Cost-Benefit Analysis* by Luis Brandao, Gaston Gelos, Machiko Narita, and Erlend Nier, CEBRA Annual Meeting, 2020.
4. *Treasury Debt and the Pricing of Short-Term Assets* by Quentin Vandeweyer, CESifo Area Conference on Macro, Money, and International Finance, 2020.
5. *A Macro-Finance model with Realistic Crisis Dynamics* by Goutham Gopalakrishna, CESifo Area Conference on Macro, Money, and International Finance, 2021.
6. *Securitization in the Mortgage Market under General Equilibrium* by Salomon Garcia, XXVI Meeting of the Central Bank Researchers Network, 2021.

INVITED SUMMER SESSIONS

MFM Summer Session for Young Scholars, Becker Friedman Institute (2016, 2018), Yale Summer School in Behavioral Finance, Yale University (2015), Capital Markets Research Workshop, MIT Sloan School of Management (2015).

MISCELLANEOUS

Languages: English (fluent), Spanish (native).

Citizenship: Peru.

REFERENCES

Markus Brunnermeier

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Princeton University

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Mark Aguiar

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Princeton University

(609) 258-8049

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University of California,
Los Angeles

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