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EDUCATION

Leonard N. Stern School of Business, New York University, New York, NY — 2015 – Current
Ph.D. in Finance Candidate — **2021 (Expected)**
M.Phil in Finance — 2019

University of Pennsylvania, Philadelphia, PA — 2012
Jerome Fisher Program in Management and Technology
The Wharton School, Bachelor of Science in Economics, *Magna Cum Laude*
The School of Engineering and Applied Science, Bachelor of Applied Science, *Magna Cum Laude*

RESEARCH INTERESTS

Financial Intermediation, International Finance, Asset Pricing, Systemic Risk

RESEARCH

The Real Consequences of Macroprudential FX Regulations

(Job Market Paper)

I examine the real effects of macroprudential foreign exchange (FX) regulations designed to reduce the risk taking by financial intermediaries. I exploit a natural experiment in South Korea at the bank level that can be traced through firms. The regulation limits banks' ratio of FX derivatives position to capital. By using cross-bank variation in the tightness of regulation, I show that the regulation causes a sudden reduction in the supply of FX derivatives. Controlling for hedging demand, I find that exporting firms reduce hedging with the constrained banks by 47%, relative to that with the unconstrained banks. I further show that the reduction in the banks' supply of hedging instruments results in a substantial decline in firm exports. For one-standard-deviation increase in firm's exposure to the regulation shock transmitted by banks, export falls by 17.1% for high-hedge firms and rises by 5.7% for low-hedge firms, resulting in the differential effect of 22.8%. Collectively, my results provide a novel implication that macroprudential FX regulations aiming to manage the risk taking of financial intermediaries can affect the real side of the economy.

Understanding the Onshore versus Offshore Forward Rate Basis: The Role of FX Position Limits and Margin Constraints

During the Great Financial Crisis of 2007—2009, the difference between the exchange rate for locally traded (onshore) forward contracts and that for contracts with the same maturity traded outside the jurisdiction of countries (offshore) increased significantly, though the magnitudes varied across currencies. This deviation from the law of one price can be explained by two constraints imposed on financial intermediaries: margin constraint and a leverage-based cap on net open FX position (position limit constraint). In an intermediary-based asset pricing model where intermediaries face both margin constraint and position limit constraint, I show how and when the position limit leads to a gap between onshore and offshore forward rates. The model predicts that, first, the shadow cost of margin constraint non-linearly increases as intermediary's consumption share declines below a threshold. Second, the basis increases with the shadow costs of the two constraints across time and increases with country-specific position limit across countries. Third, the model suggests that higher shadow cost of position limit predicts lower future excess return on local assets, as buying local asset relaxes the position limit constraint imposed on the intermediaries. I test the model predictions and find consistent evidence in the countries with tight position limits.

RESEARCH IN PROGRESS

Climate Stress Testing (with Robert Engle)

Climate change could lead to a systemic risk to the financial sector in the process of an economy transitioning to less carbon-intensive environment. We develop a stress testing procedure to test the resilience of financial institutions to climate-related risks. The procedure involves three steps. The first step is to measure the climate risk factor by using stranded asset portfolio returns. The second step is to estimate time-varying climate beta of financial institutions using Dynamic Conditional Beta (DCB) model. The third step is to compute the systemic climate risk (CRISK), the capital shortfall of financial institutions in a climate stress scenario. This step is based on the same methodology as SRISK, but the climate factor is added as the second factor. We use this procedure to study large banks in the U.S. and the U.K. during the recent collapse in fossil-fuel prices.

Estimating SRISK for Emerging Markets (with Robert Engle and Philipp Schnabl)

The expected capital shortfall of a financial entity conditional on a prolonged market decline, SRISK measure of Brownlees and Engle (2016), is a useful measure of financial fragility. The key challenge in applying SRISK is that it requires data on the market value of firm equity. However, many of the major financial institutions in emerging markets are not publicly listed and therefore do not have market data on firm equity. To get a full picture of financial fragility, it is crucial to estimate SRISK for unlisted firms as well. To this end, we estimate SRISK for unlisted Latin American and Chinese financial institutions by examining the relation between accounting data and market data for listed banks and then applying the same relation to unlisted firms.

The Cross-section of Stock Price Sensitivity to Macroeconomic News Announcements over the Business Cycle

This paper studies the link between firm characteristics and sensitivities of stock prices to macroeconomic news announcement (MNA) surprises over the business cycle. I find that the stocks with high market beta are more sensitive to MNA surprises, while the relationships between the sensitivity and other characteristics (size, book-to-market ratio, profitability, investment, and momentum) are muted. Furthermore, the relationship between market betas and the sensitivities varies over the business cycle. The sensitivities tend to align with market betas in bad times but not in good times.

PRESENTATIONS

Society for Financial Econometrics	2020
Federal Reserve Board	2020
AFA Ph.D. Poster Session	2020
Columbia GSB Finance Ph.D. Seminar	2020
NYU Stern Finance Department	2017 – 2020

HONORS AND AWARDS

Ph.D. Research Grant, Center for Global Economy and Business, NYU Stern	2020
AFA Ph.D. Student Travel Grant	2020
Jules Bogen Fellowship, NYU Stern	2019 – 2020
NYU Stern Doctoral Fellowship	2015 – 2021
NYU Stern Teaching Commendation	2018
Wharton Undergraduate Research Award	2012
Merit-based Full Scholarship (Mirae Asset Park Hyeon Joo Foundation) for Undergraduate Studies	2007 – 2011

TEACHING EXPERIENCE

Instructor, Foundations of Finance (Undergraduate) Overall Evaluation: **5.0/5.0** *Awarded Commendation for Teaching Excellence*	Summer 2018
Teaching Fellow, Financial Econometrics (Ph.D.) Prof. Robert Engle	Spring 2018
Teaching Fellow, Volatility (MBA) Prof. Robert Engle	January 2020
Teaching Fellow, Investments (Executive MBA) Prof. Anthony Lynch	Fall 2019
Teaching Fellow, Foundations of Finance (MBA) Prof. Anthony Lynch	Summer 2017 – 2019
Teaching Fellow, Principles of Securities Trading (Undergraduate) Prof. Joel Hasbrouck	Spring & Fall 2017-2018, 2020

WORK EXPERIENCE

J.P. Morgan (S.E.A) Limited, Singapore, Singapore — Jul 2012 – Jul 2015
FX & Rates Trading, Currency & Emerging Markets — Associate **(Trader)**

Traded Asian emerging market currencies (Singapore, Thailand, Malaysia, Indonesia, India, Philippines, China, Hong Kong, Taiwan, Korea) spot, forwards, and swaps.
Managed risk of electronic FX trading book.

J.P. Morgan (S.E.A) Limited, Singapore, Singapore — Jul 2011 – Aug 2011
FX & Rates Trading, Global Emerging Markets — Summer Analyst

Goldman Sachs (Asia) L.L.C, Seoul, Korea — Jul 2010 – Aug 2010
Fixed Income, Currencies and Commodities — Summer Analyst

REFERENCES

Prof. Robert Engle (Co-chair)
Michael Armellino Professor in the Management of Financial Services
New York University, Stern School of Business
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Prof. Philipp Schnabl (Co-chair)
Martin J. Gruber Professor in Asset Management
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Prof. Ralph Koijen
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Prof. Alexi Savov
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