

JINGYE WANG

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EDUCATION

Ph.D., Economics, Boston University, Boston MA, May 2022 (expected)
Dissertation Title: *Essays on Currency Premium*
Dissertation Committee: Tarek A. Hassan, Stephen J. Terry, Andrea Vedolin
and Thomas Mertens

M.A., Graduate Program in Economic Development, Vanderbilt University, TN, 2016

B.A., Information Management and Systems, Peking University, Beijing, China, 2013

B.A., Economics, Peking University, Beijing, China, 2013

FIELDS OF INTEREST

International Finance, International Macroeconomics, Asset Pricing

WORKING PAPERS

“Currency Risk and Capital Accumulation,” September 2021. Job Market paper.
([link to paper](#))

WORK IN PROGRESS

“A Currency Premium Puzzle” (joint with Tarek A. Hassan and Thomas M. Mertens)

PRESENTATIONS

Macro Dissertation Workshop, Boston University, Fall 2018, Spring 2020, Sep 2021
Questrom School of Business Brownbag Seminar, Boston University, Oct 2021
School of Finance, Shanghai University of Finance and Economics, Dec 2021
SAIS, Johns Hopkins University, Jan 2022
School of Finance, Renmin University of China, Jan 2022
Kelley School of Business, Indiana University – Bloomington, Jan 2022
BI Norwegian Business School, Jan 2022

FELLOWSHIPS AND AWARDS

Dean’s Fellowship, Boston University, Fall 2016 – Spring 2021

WORK EXPERIENCE

Research Assistant for Professor Tarek A. Hassan, Summer 2020, Spring 2021

TEACHING EXPERIENCE

Instructor for:

Math Camp, GPED, Vanderbilt University, Summer 2015

Teaching Assistant for:

Intermediate Macroeconomic Analysis, Boston University, Spring 2021

International Macroeconomics, Boston University, Fall 2020-2018, Spring 2019

Economics of Risk and Uncertainty, Boston University, Fall 2020

Empirical Economic Analysis 1, Boston University, Spring 2020

Introduction to Economic Dynamics, Boston University, Spring 2020

Monetary and Banking Institutions, Boston University, Spring 2020

Financial Economics, Boston University, Fall 2019, Fall 2018, Fall 2017

International Finance, Boston University, Spring 2019

Economic Analysis of Legal Issues, Boston University, Spring 2019

Money and Financial Intermediations, Boston University, Fall 2018, Fall 2017

LANGUAGES

Chinese (Native), English (Fluent)

COMPUTER SKILLS:

STATA, R, C++, C, Mathematica, MATLAB, Dynare, LaTeX, Python (Basic), Julia (Basic)

CITIZENSHIP/VISA STATUS: Chinese/F1

REFERENCES

Professor Tarek Alexander Hassan

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Professor Thomas M. Mertens

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Currency Risk and Capital Accumulation (Job Market Paper)

The “Lucas Paradox” states that there are large and persistent differences in capital-output ratios across countries, suggesting capital is not flowing to countries where it is relatively scarce. In the data, capital-output ratios vary a lot cross-sectionally even within developed countries, and they are negatively correlated with currency risk premia and risk-free rates. To rationalize these patterns, I build a quantitative multi-country model of capital accumulation with external habit and heterogeneous exposures to a global productivity shock. I show that currency risk in this model generates cross-country variations in risk-free rates and capital-output ratios that are consistent with the data. I estimate the model using GDP data from countries issuing the G10 currencies and find two main results: (1) The heterogeneous loadings that I extract from GDP data alone are highly correlated with capital-output ratios; and (2) when I feed the estimated loadings to the model, model-generated capital-output ratios account for roughly 55% of the cross-country variation in the data. I conclude that variation in currency risk and therefore currency risk premia have significant effects on the real economy.

A Currency Premium Puzzle

(with Tarek A. Hassan and Thomas M. Mertens)

Canonical long-run risk and habit models address the equity premium puzzle by inducing a strong, negative correlation between the variance and the mean of the stochastic discount factor. When applied to an open economy with complete markets, this key feature requires that differences in currency returns should arise primarily from predictable appreciations, a requirement that is at odds with the data. We term this tension between a high equity premium, smooth risk-free rates, and largely unpredictable exchange rates the *currency premium puzzle* and argue it is the underlying reason why existing international asset pricing models have struggled to simultaneously match data on currency returns, equity returns, and risk-free rates.