Yida Li

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CONTACT INFORMATION

University of Washington
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EDUCATION

University of Washington — Seattle, WA
Ph.D. in Economics — 2022 (expected)

University of Michigan — Ann Arbor, MI
M.A. in Economics — 2016

Fudan University — Shanghai, China
B.A. in International Finance — 2014

FIELDS

International Finance, International Macroeconomics, and Applied Econometrics

RESEARCH

Working Papers

Covered Interest Rate Parity Deviations: A Model of Dollar Funding of Global Banks. *(Job Market Paper)*

Macroeconomic Connections to Foreign Exchange Risk Term Structure. *(with Yu-chin Chen and Jingyi Ren)*

Drivers of Euro Area Long-Term Sovereign Yields. *(with Nazim Belhocine)*

Predoctoral Publications

Network Dynamics of the Chinese Stock Market, 2014, The International Conference on Systems and Informatics. IEEE. *(with Bing Li)*

Merger and Acquisition in Coal Industry, 2013, Productivity Research. *(in Chinese)*

Real Estate Price and Inflation in China, 2013, Journal of Shanxi University. *(with Guangyou Zhou, in Chinese)*

Research Positions

Research Assistant to Prof. Yu-chin Chen, University of Washington — 2019

Research Assistant to Prof. Dominick Bartelme, University of Michigan — 2015-2016

Research Assistant, Financial Research Center, Fudan University — 2013-2014

Seminar Presentations

2021: European Central Bank (virtual), European Department, IMF (virtual)

2019, 2020: International Trade and Finance Seminar, University of Washington

PROFESSIONAL EXPERIENCE

International Monetary Fund (IMF) — **Washington, D.C.**
Fund Internship Program, European Department — *2021.6–2021.9*

China Merchants Securities — **Shenzhen, China**
Summer Analyst, Investment Banking — *2016.6–2016.9*

Guotai Junan Securities — **Shanghai, China**
Analyst, Fixed Income, Currency and Commodity — *2014.2–2014.4*

Honors & Awards

Graduate School Scholarship, University of Washington	2021
Alberta C. Corkery Endowed Fellowship, University of Washington	2017
Excellent Graduate, Fudan University	2014
Xiyuan Undergraduate Research Grant, Fudan University	2013
People's Scholarship, Fudan University	2012, 2013

Teaching Experience

Instructor / Teaching Assistant, University of Washington, since 2017

Department of Economics

- Computational Finance and Financial Econometrics (Undergraduate)
- Introduction to Microeconomics (Undergraduate)
- Introduction to Macroeconomics (Undergraduate)

Foster School of Business

- Financial Management (Executive MBA)
- International Finance (MBA and Executive MBA)
- Business Finance / Corporate Finance (Undergraduate)
- Statistical Methods / Information Systems (Undergraduate)

Skills

Programming:Stata, R, Matlab, Python, LaTeX
Other: MS Excel, Bloomberg, Dealogic, Datastream
Language: English (full professional), Chinese (native)

References

Professor Yu-chin Chen (Chair)
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Research Abstracts

Covered Interest Rate Parity Deviations: A Model of Dollar Funding of Global Banks.
(*Job Market Paper*)

In this paper, using a model of dollar funding of global banks in the foreign exchange (FX) swap market, I decompose the CIP deviation into three parts of the economic environment: credit spread differential between U.S. and non-U.S. economies, banks default premium, and the liquidity needs of global banks. Then I empirically examine whether the data accords with the model predictions, and find that the rela- tive significance of each component in CIP deviation has changed over time, as default premium was the dominant driver around GFC, credit spread differential has been catching up significantly in recent years.

Macroeconomic Connections to Foreign Exchange Risk Term Structure.
(*with Yu-chin Chen and Jingyi Ren*)

This paper empirically investigates the connection between macroeconomic fundamentals and time-varying currency risks captured by the FX risk term structure. We perform a VAR analysis to examine impulse responses of FX risk term structure to the shocks of macroeconomic events and find that production variables can generate a relatively consistent and systematic impact pattern, which suggests a potential macroeconomic connection. We also perform a direct single regression, regressing the database of 126 macroeconomic series of eight different groups on the FX risk term structure and apply the group LASSO technique for variable selection. Variables among both macroeconomic fundamentals and financial series are commonly selected, which suggests that financial markets co-movements also exist besides potential macroeconomic connection.

Drivers of Euro Area Long-Term Sovereign Yields.
(*with Nazim Belhocine*)

This paper uses a joint model of macroeconomic and term structure dynamics to estimate the term premia and inflation risk premia embedded in U.S. and euro area bonds yields. We find that the fall in real risk premia has been the primary driver of declining yields, especially over the past year, given ECB assets purchases and forward guidance which lowered the uncertainty over the projected path of short-term rates. In addition, contrary to the Fed, the ECBs new strategy review has yet to lift inflation expectations with financial markets expecting inflation to remain below 2 percent. We subsequently build a model of the term premia to forecast the euro area 10-year yield curve and find that yields will likely remain depressed over the medium-term under various scenarios.