LIANG FU

Last updated: Jun. 2021

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Education

Ph.D. Economics, **University at Albany, SUNY**

Thesis Title: Three essays on monetary economics

Expected Completion Date: August 2021

M.A. Economics, **Central University of Finance and Economics** *2014*

B.S. Management, **Qingdao University** *2011*

Teaching and Research Fields

Primary fields: Monetary Economics, International Economics

Secondary fields: Chinese Economy

Research Papers

"Monetary Policy Surprises and Interest Rates: Assessing China's Evolving Monetary Policy Framework"

Abstract: This paper assesses the effectiveness of monetary policy in China by examining the effects of monetary policy surprises on market interest rates using an event study approach. The monetary policy implementation framework in China has evolved considerably in the past two decades, increasingly moving from using quantity and administrative tools to price-based instruments. Overall, we find that price-based monetary policy instruments are as effective as quantity and administrative tools in moving market interest rates. Further, central bank communications containing information on future monetary policy affect market interest rates at longer maturities.

"**Real Exchange Rate and Innovation: Firm-Level Evidence from China**" (with Chun-Yu Ho and Xiaoli Zhang)

Abstract: This paper examines how exchange rate movement affects firms' innovation activities using a panel dataset of Chinese manufacturing firms. We construct firm-specific effective real exchange rate (RER) to measure the exchange rate shocks faced by each firm according to its composition of trading partners. We find that a 10% increase in effective RER (i.e. depreciation) increase the share of new product sales in total sales by about 0.2 percentage points. Our results are robust to 1) the inclusion of firm- and industry-specific control variables, firm fixed effects and year effects; and 2) the use of alternative weighting in constructing effective RER and alternative estimation methods. We further show that a better export opportunity is the main channel through which a depreciation of exchange rate promotes innovation activities. A better export opportunity leads to a higher revenue from exports, which in turn, we argue that, relaxes the financial constraints faced by firms to conduct innovation

activities.

"Political Stability and Credibility of Currency Boards" (with Shu Feng, Chun-Yu Ho and Wai-Yip Alex Ho)

Abstract: This paper examines the credibility of currency boards of Argentina, Bulgaria, Estonia, Hong Kong, Latvia and Lithuania. We employ a Markov switching model to estimate the credibility of a currency board as the expected rate of depreciation induced by self-fulfilling behavior. The currency board of our sample countries are all subject to self-fulfilling behavior, which suggests that the credibility of a currency board determines the expected rate of depreciation. We also find evidence that the credibility of currency boards positively relates to the political stability of adopting economies.

"Differential Regional Impact of U.S. Monetary Policy: Evidence from a Near VAR"

Abstract: This paper finds that U.S. monetary policy had different effects across states during the 1979-2007 period by estimating a near vector autoregressive (VAR) model, in which each state's economy is affected by the national monetary policy as well as regional variables, while the common monetary policy responds only to aggregate macroeconomic variables. States in which (durable) manufacturing accounts for a larger share of gross state product tend to be more sensitive to monetary policy shocks. States containing a larger concentration of small firms are more responsive to monetary policy shocks, providing support for a broad credit channel of monetary policy transmission.

Research Papers in Progress

"The Impact of China's Monetary Policy on Exchange Rates: Evidence from High-frequency Data"

Abstract: This paper examines the behavior of the Chinese renminbi/U.S. dollar exchange rate in reaction to China's monetary policy actions and statements, using an event study approach coupled with intra-day high-frequency data.

Teaching Experience

Instructor, University at Albany, SNUY   *08/2018 - current*

    Money and Banking (Undergraduate): Summer 2018, Fall 2018, Fall 2019, Spring 2020

    Intermediate Macroeconomics (Undergraduate): Spring 2019, Fall 2020, Spring 2021

Teaching Assistant, University at Albany, SUNY   *09/2014 - 05/2016*

    Microeconomics II (PhD): Spring 2016

    Public Microeconomics (Undergraduate): Spring 2016

    Applied Econometrics (Undergraduate): Fall 2015

    Economics of Labor (Undergraduate): Fall 2014, Spring 2015

Teaching Assistant, Central University of Finance and Economics   *02/2012 - 01/2013*

    Production and Consumption Theory (Undergraduate): Fall 2012

    Intermediate Microeconomics (Undergraduate): Spring 2012

Research Experience and other Employments

Research Assistant, New York State Division of the Budget *05/2016 - 08/2018*

Scholarships, Honors, and Awards

Helen Horowitz Excellence in Teaching Award, University at Albany, SUNY *2019*
Distinction in Preliminary Examinations, University at Albany, SUNY *2015*
Graduate Assistantship, University at Albany, SUNY *2014 - 2016*

Skills

Computer: R, Stata, MATLAB, SAS, LaTeX
Language: Chinese (Native), English (Fluent)

Personal Information

Date of Birth: July 7, 1989
Gender: Male
Citizenship: China