My primary research fields are international trade, international macroeconomics and labor. I study how how financial and human capital decisions shape aggregate responses to changes in the economic environment. To that end, I combine insights and data sources from my fields of interest to develop new angles on long-lasting questions and raise new ones.

Job market paper. In **"Labor reallocation during booms: The role of duration uncertainty"** I study how the elasticity of labor supply across sectors is shaped by uncertainty about the duration of shocks that shift the sectoral composition of labor demand. Although uncertainty has been shown to affect firms' entry and exporting decisions, the literature hast abstracted from the direct effect on labor supply (Handley and Limão, 2022). First, I study the question theoretically and conclude that the effects of duration uncertainty are ambiguous, as some workers in the economy exhibit risk-loving attitudes towards the duration of the boom. Then, I study the question in the context of the mining boom of the 2010s in Australia, where I find that duration uncertainty decreased aggregate labor supply into mining but had heterogeneous effects across workers.

The paper fits into the trade and labor intersection, but being familiar with the financial data sources and concepts through my research in international macroeconomics was useful. To understand why the risk-loving attitudes of the workers arise I use the analogy of a call option, which helps understand the logic of the problem. Second, to quantify the model I needed to estimate the hazard rate for the end of the boom. I estimated it using financial data, a natural candidate given that asset prices are forward-looking. Being acquainted with this data helped me navigate this part of the paper. I would like to continue doing this type of research: addressing questions that are clear-cut and belong to one specific field in trade, macro, or labor but remaining open to borrowing from other areas as long as those concepts and tools can be useful.

The main goal of my job market paper is positive: to understand the effects of duration uncertainty qualitatively and quantitatively. However, my theoretical results on risk-loving attitudes towards duration can be important for policy design more broadly. When booms are driven by domestic policies such as industrial policy there may be uncertainty about the duration of government support. I would like to research how uncertainty about the duration of sectoral policies affects their economic impact.

I have also done research on **the role of the dollar in finance and trade.** One of the most important historical stylized facts in international trade and macroeconomics is that a dominant currency has always been used disproportionately to invoice trade transactions and denominate financial instruments worldwide. The dollar has been the dominant currency for decades. Two important questions arise: *why is there a dominant currency?* and *what are the consequences?* My two papers with my co-author Aleksei Oskolkov contribute to tackling both questions.

Households in emerging countries save extensively in dollars, even though these instruments pay lower interest rates (Christiano et al., 2021). A generally agreed upon view is that this is driven by the insurance properties of the dollar (Bocola and Lorenzoni, 2020; Christiano et al., 2021). This demand from households leads domestic firms to borrow in dollars, precisely because it is cheaper. Another strand of the literature in international macroeconomics highlighted the negative consequences associated with excessive borrowing, especially in foreign currencies, and argued for prudential policies to limit foreign currency borrowing (Bianchi, 2011; Korinek, 2018). In Oskolkov and Sorá (2023) we combined these two ideas and studied optimal prudential policy in emerging economies when the planner internalizes both that borrowing has negative pecuniary externalities, and that limiting borrowing affects the insurance possibilities for households.

In our ongoing second project with Aleksei Oskolkov we take a step back from the policy questions we studied in our first paper and address the question of *why* there is a dominant currency in the first place. This question has received significant attention recently, both in academic and policy circles in the US. Gopinath and Stein (2021) argue that complementarities between the roles of the dollar in finance and trade are key. We extend and test the implications from Gopinath and Stein (2021) by looking at firm-level data from Peru. Peru is an ideal setting to study this question because changes in the differential rate on dollar instruments changed for arguably exogenous macroeconomic reasons. We take this environment as a laboratory to study how the invoicing decisions of exporters changed. We have developed a model and are in the process of getting access to confidential administrative data that would allow us to link firms' balance sheets and exports.

Capital mobility across cities. I am also working on a project with my co-authors Olivia Bordeu and Gustavo González. Recently, Kleinman et al. (2023) introduced capital into quantitative spatial models, but the frictions to capital mobility across regions remain poorly understood. Our paper addresses this gap by postulating the distribution of banks across regions and their strategic interaction as a source of frictions.

Using administrative data from Chile that covers the universe of loans and matched employer-employee data from social security, we first document substantial dispersion in the cost of capital across regions after controlling for other determinants like characteristics of the loans and bank fixed effects. Dispersion in the cost of capital is even larger than dispersion in wages, the focus of previous research. Our second novel stylized fact is that city-specific interest rates are higher when competition between banks is lower (as measured by the Herfindahl index). We are building a model of bank competition across space to rationalize these facts. The goal is to study how the spatial distribution of banks influences the spatial allocation of investment and ultimately the distribution of labor income and welfare across regions.

This project represents another instance of what I view as one of my comparative advantages as a researcher. My co-authors and I tackle a clear-cut question in labor and spatial economics - *why are some regions richer than others?* - and our proposed answer relies on insights and financial data that have not been exploited in the field before.

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