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EDUCATION

Ph.D. in Economics, New York University, 2025 (expected)

M.A. in Economics, University of Tokyo, 2019

B.A. in Economics, University of Tokyo, 2017

REFERENCES

Professor Ricardo Lagos

19 West Fourth St., 7th floor, New York, NY

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Professor Vaidyanathan Venkateswaran

Kaufman Management Center, 44 West Fourth

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Professor Jaroslav Borovicka

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FIELDS

Macroeconomics, Monetary economics, and Macro-Finance

RESEARCH

JOB MARKET PAPER

Optimal monetary and fiscal policy without fiscal backing

This paper studies optimal monetary and fiscal policy when Treasury is unable to provide optimal fiscal backing to the central bank. The central bank holds large reserves and incurs interest expenses. During periods when costs exceed earnings, the Federal Reserve does not receive transfers from Treasury to offset the losses. I analyze the optimal monetary and fiscal policy in a New-Keynesian model with central bank and Treasury, where the transfer of resources from Treasury to the central bank is constrained, but not vice versa. This lack of fiscal support implies: (i) the central bank, without fiscal backing, tolerates higher inflation in response to cost-push shocks, and this inflation response increases with the level of reserves; (ii) while the lack of fiscal support increases the volatility of the optimal inflation rate by 3%, the average optimal inflation rate is minimally affected; (iii) the welfare gains from fiscal support are small over the business cycle, but in the case of large shocks, a fiscal backstop reduces the welfare cost of the shock by 20%.

PUBLICATIONS

The Optimal Earnings Test and Retirement Behavior

International Tax and Public Finance, 2023.

> This paper quantitatively derives the welfare-improving earnings test within an optimal income tax framework. I construct a life cycle model of labor supply and savings to compute social welfare. The preference parameters are estimated by the method of simulated moments using Japanese data. I find that social welfare under the current earnings test with large changes of marginal tax rates at thresholds is substantially lower than social welfare under the earnings test with a linear tax rate. In addition, an earnings test with negative marginal tax rates will increase social welfare more than a system without negative marginal tax rates.

WORKING PAPERS

Exposure to Interest Rate Risk around the FOMC Meeting

> This paper tests a risk-based hypothesis of high excess returns around monetary policy announcements. By announcing its decision on interest rates, monetary policy announcements resolve the interest rate uncertainty, but different assets have different exposures to it based on their durations. As the duration of an asset increases, its returns become more sensitive to both realized change and ex-ante interest rate uncertainty. Short-duration assets are less exposed to interest rate uncertainty since they receive their cash flows earlier, while long-duration assets are more exposed to uncertainty about interest rates. This relationship is applicable to both bonds and equities. The high excess returns on bonds and equities observed on FOMC announcement days are driven by interest rate uncertainty, which has been overlooked in previous research that has mainly focused on cash flow uncertainty.

Illusive Asymmetry in Stock Price Reactions to Monetary Policy Shocks

with Kazuhiro Teramoto

> Stock price data and high-frequency identification techniques are commonly used to assess the impact of monetary policy shocks on firms. This study cautions against this approach, showing that challenges in identifying monetary policy shocks due to information effects create endogeneity problems, particularly for larger firms' stock prices. We empirically demonstrate this issue and present a nominal asset pricing model incorporating granular origins of aggregate fluctuations and investors' imperfect knowledge of monetary policy rule parameters. It reveals that changes in investors' beliefs following FOMC announcements lead to monetary policy surprises and stock price changes due to shifts in stochastic discount factors.

HONOURS

MacCracken Fellowship, New York University, 2020-

Japan-IMF Scholarship, International Monetary Fund, 2022-2024

World-leading Innovative Graduate Study of Advanced Economics Fellowship, University of Tokyo, 2019-2020

Distinguished Thesis Awards, University of Tokyo, 2018

TEACHING

Teaching Assistant:

Monetary and Banking, New York University, 2023

Monetary Policy, University of Tokyo, 2020

Macroeconomics, University of Tokyo, 2019

PROFESSIONAL ACTIVITIES

IMF Summer Internship Program, 2023

RA for Professor Taisuke Nakata, 2023

RA for Professor Shintaro Yamaguchi, 2019-2020

RA for Professor Sagiri Kitao, 2019

RA for Professor Tomoyuki Nakajima, 2018-2019

Referee:

International Tax and Public Finance