STEVEN ZHENG

University of California, Berkeley
545 Student Services Building
Berkeley, CA 94720

Website: sites.google.com/view/stevenzheng
Phone: (202) 769-7797
E-mail: steven_zheng@berkeley.edu

Education

University of California, Berkeley — Berkeley, CA
PhD Finance — 2021–present

Columbia University and **New York University** — New York, NY
PhD coursework in Finance and Economics (non-degree) — 2018–2019

Georgetown University — Washington, DC
MS Mathematics — 2016–2018
BS Mathematics and Economics — 2012–2016
NCAA Division I swim team member

University of British Columbia — Vancouver, Canada
Dual-enrollment during high school (non-degree) — 2011–2012

Research Interests

Asset pricing, macroeconomics, international finance

Working Papers

Vaccine Progress, Stock Prices, and the Value of Ending the Pandemic
with Viral Acharya, Timothy Johnson and Suresh Sundaresan

We estimate the value of ending the COVID-19 pandemic using the joint behavior of stock prices and a vaccine progress index during 2020. In an equilibrium model of repeated pandemics, the market response to vaccine news serves to identify the expected loss of wealth from the pandemic, which determines the welfare gain attributable to returning to non-pandemic life. In our calibrated model, ending the pandemic would have been worth 5-15% of total wealth. This value rises with greater exposure externality in labor choice. With uncertainty about pandemic parameters, resolving the uncertainty can be as valuable as resolving the pandemic itself.

Work in Progress

Hedging Uncertainty

I estimate the price of hedging against uncertainty shocks. I use macro and financial uncertainty from Jurado, Ludvigson and Ng (2015), and start by employing their and Bloom (2009)'s vector autoregression (VAR) to show shocks to both types of uncertainty result in sharp and persistent declines across the market portfolio and real economic quantities. I then construct hedge portfolios following Herskovic, Moreira and Muir (2020). While they show standard risk factors can be successfully hedged with minimal cost, I find that hedging against uncertainty shocks requires an economically meaningful cost of 3 to 4% per year. Finally I estimate an uncertainty factor and the resulting mimicking portfolio outperforms in times of heightened uncertainty.

Presentations

2022:
AFA

2021:
UIUC (Gies), IMF, SAIF, UCLA (Anderson), JHU Carey Finance Conference

2020:
NYU x2 (Stern, Volatility and Risk Institute)

Research Experience	Research assistant for Sydney Ludvigson, Francesco Bianchi, Sai Ma	2021–present
	Research assistant for Viral Acharya, Toomas Laarits, Robert Richmond	2019–2021

Work Experience	**BlackRock**	New York, NY
	Macro Research	2018–2019
	JP Morgan	New York, NY
	Interest Rate Derivatives Research	2017
	Goldman Sachs	New York, NY
	Global Macro Research	2016

Teaching Experience	**Probability Theory** (MS)	Georgetown
	Teaching assistant for David Caraballo	2016
	Economic Statistics (Undergraduate)	Georgetown
	Teaching assistant for Anil Nathan	2016
	International Trade (Undergraduate)	Georgetown
	Teaching assistant for Carol Rogers	2014–2015

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