

T. Niklas Kroner

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EDUCATION

The University of Texas at Austin Ph.D. Candidate, Economics	2016–2022 (Expected)
The University of Texas at Austin M.S., Economics	2016–2018
Karlsruhe Institute of Technology B.S., Industrial Engineering and Management	2012–2016
University of California, Davis Non-degree Exchange Student	2015

REFERENCES

Olivier Coibion (Co-chair) Department of Economics The University of Texas at Austin +1 512-475-8537 ocoibion@austin.utexas.edu	Christoph Boehm (Co-chair) Department of Economics The University of Texas at Austin +1 512-475-8531 cboehm@utexas.edu
Saroj Bhattarai Department of Economics The University of Texas at Austin +1 512-475-8539 saroj.bhattarai@austin.utexas.edu	Daniel Neuhann McCombs School of Business The University of Texas at Austin +1 512-232-9375 daniel.neuhann@mcombs.utexas.edu

TEACHING AND RESEARCH INTERESTS

Primary Fields: Macroeconomics, Monetary Economics

Secondary Fields: International Finance, Macro-Finance

RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

Research Assistant , Prof. Christoph Boehm	Fall 2018; Fall 2019; Fall 2020
Ph.D. Trainee , European Central Bank	Summer 2019

TEACHING EXPERIENCE

The University of Texas at Austin	
Macroeconomic Theory, Prof. Olivier Coibion	Fall 2021
Macroeconomics II (Ph.D.), Prof. Saroj Bhattarai	Spring 2020; Spring 2021
Macroeconomic Theory, Prof. Christoph Boehm	Fall 2017; Spring 2019
Macroeconomic Theory, Prof. Andrew Glover	Spring 2018
Financial Economics, Prof. Patrick Van Horn	Summer 2017
Introduction to Macroeconomics, Prof. Shalah Mostashari	Spring 2017
Introduction to Microeconomics, Prof. Wayne Hickenbottom	Fall 2016

HONORS, SCHOLARSHIPS, AND FELLOWSHIPS

Summer Research Fellowship , The University of Texas at Austin	2021
Professional Development Award , The University of Texas at Austin	2021
Collaborative Research Fellowship , The University of Texas at Austin	2020
Professional Development Award , The University of Texas at Austin	2019
Princeton Initiative: Macro, Money, and Finance , Princeton University	2018
Summer Teaching Fellowship , The University of Texas at Austin	2017

PROFESSIONAL ACTIVITIES

Presentations

Society for Economic Dynamics Annual Meeting	2021
Spring Meeting of Young Economists	
Annual Meeting of the Canadian Economics Association	
European Economic Association and Econometric Society European Meeting	
North American Summer Meeting of the Econometric Society	
Royal Economic Society Annual Conference	
American Economic Association Annual Meeting*	
Southern Economic Association Annual Meeting	
24th Central Bank Macroeconomic Modelling Workshop	
European Winter Meeting of the Econometric Society	
7th BdF-BoE-BdI International Macroeconomics Workshop*	
European Winter Meeting of the Econometric Society	2020
Bocconi University*	
European Central Bank	2019
(*Presented by co-author)	

Referee: Review of Economics and Statistics (5x)

Service: Student Seminar Coordinator, The University of Texas at Austin

WORKING PAPERS

Firm-Level Uncertainty and the Transmission of Forward Guidance to Investment

2021, *Job Market Paper*

I study the role of firms' uncertainty in the transmission of forward guidance to investment. To do so, I employ a quarterly firm-level panel of U.S. publicly traded firms. I measure forward guidance shocks based on unexpected changes in the slope of the yield curve in a 30-minute window around Federal Reserve announcements. I show that firms which are more uncertain adjust their investment as if they are more pessimistic. More uncertain firms adjust their investment relatively more downward for expected monetary tightenings, and relatively less upward for expected loosening. To explain my empirical findings, I construct a New Keynesian model with a high-uncertainty and a low-uncertainty sector. Agents in the high-uncertainty sector are ambiguous (Knightian uncertain) about the informativeness of forward guidance, and choose to take a pessimistic stance due to their ambiguity aversion. The model implies that expansionary forward guidance is less powerful in recessions due to a larger share of uncertain agents.

The US, Economic News, and the Global Financial Cycle

2020, with Christoph E. Boehm, *Review of Economic Studies*

We provide evidence for a causal link between the US economy and the global financial cycle. Using intraday data, we show that US macroeconomic news releases have large and significant effects on global risky asset prices. Stock price indexes of 27 countries, the VIX, and commodity prices all jump instantaneously upon news releases. The responses of stock indexes co-move across countries and are large—often comparable in size to the response of the S&P 500. Further, US macroeconomic news frequently explains more than 15% of the quarterly variation in foreign stock markets. The joint behavior of stock prices and long-term bond yields suggests that systematic US monetary policy reactions to news do not drive the estimated effects. Instead, the evidence is consistent with a direct effect on investors' risk-taking capacity. Our findings show that a byproduct of the United States' central position in the global financial system is that news about its business cycle has large effects on global financial conditions.

Beyond the Yield Curve: Understanding the Effect of FOMC Announcements on the Stock Market

2021, with Christoph E. Boehm

A large literature uses high-frequency changes in interest rates around FOMC announcements to study monetary policy. These yield changes have puzzlingly low explanatory power for the stock market—even in a narrow 30-minute window. We propose a new approach to test whether the unexplained variation represents monetary policy news or just noise. In particular, we allow for a latent “Fed non-yield curve shock”, which we estimate via a heteroskedasticity-based procedure. Using a test for weak identification, we show that our shock is well identified, that is, the unexplained variation is not just noise. We then go on to show that the shock, signed to increase stock prices, leads to sizable declines in the equity and variance premium, an increase in the 10-year term premium, an increase in short-run inflation expectations, as well as a dollar depreciation against multiple non-safe-haven currencies. Hence, the evidence supports the interpretation that the shock affects risk-appetite and leads to a reverse “flight-to-safety” effect. Lastly, using a method from the computational linguistics literature, we show that our shock can be linked to specific topics discussed in FOMC statements, suggesting that it reflects written communication by the Federal Reserve.

WORKS IN PROGRESS

On the Effectiveness of Capital Controls: A High-Frequency Identification

with Christoph E. Boehm

The Transmission of Forward Guidance: New Evidence from Canada

OTHER

Citizenship: German (F1 Visa)

Language: German (native), English (fluent)

Software Skills: MATLAB, Stata, LaTeX, Python, R, Microsoft Office, Java

Last Updated: October 2021