

# T. Niklas Kroner

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## EDUCATION

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### University of Texas at Austin

Ph.D. Student, Economics

2016–2022 (Expected)

### 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

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### Olivier Coibion (Co-chair)

Department of Economics  
University of Texas at Austin  
+1 512-475-8537  
[ocoibion@austin.utexas.edu](mailto:ocoibion@austin.utexas.edu)

### Christoph Boehm (Co-chair)

Department of Economics  
University of Texas at Austin  
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### Saroj Bhattarai

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### Daniel Neuhann

McCombs School of Business  
University of Texas at Austin  
+1 512-232-9375  
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## TEACHING AND RESEARCH INTERESTS

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**Primary Fields:** Macroeconomics, Monetary Economics

**Secondary Fields:** International Macroeconomics, Financial Economics

## RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

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**Research Assistant**, Prof. Christoph Boehm

Fall 2018; Fall 2019; Fall 2020

**Ph.D. Trainee**, European Central Bank

Summer 2019

## TEACHING EXPERIENCE

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### 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

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

## PROFESSIONAL ACTIVITIES

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### Presentations

Society of 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 Meetings 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, University of Texas at Austin

## WORKING PAPERS

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### **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. Put differently, 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 medium-scale New Keynesian model with two sectors, a high-uncertainty and low-uncertainty one. 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**

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

with Christoph E. Boehm

### **The Transmission of Forward Guidance: New Evidence from Canada**

## **OTHER**

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**Citizenship:** German (F1 Visa)

**Language:** German (native), English (fluent)

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

*Last Updated: September 2021*