

# T. Niklas Kroner

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## EMPLOYMENT

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<b>Federal Reserve Board of Governors</b> Economist, Division of International Finance	2022-
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## EDUCATION

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<b>The University of Texas at Austin</b> Ph.D. Candidate, Economics	2022
<b>The University of Texas at Austin</b> M.S., Economics	2018
<b>Karlsruhe Institute of Technology</b> B.S., Industrial Engineering and Management	2016
<b>University of California, Davis</b> Non-degree Exchange Student	2015

## TEACHING AND RESEARCH INTERESTS

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**Macroeconomics, International Finance, Asset Pricing**

## OTHER EMPLOYMENT

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

## TEACHING EXPERIENCE

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<b>The University of Texas at Austin</b> (Teaching Assistant)	
Macroeconomics II (Ph.D.)	Spring 2020; Spring 2021
Macroeconomic Theory	Fall 2017; Spring 2018; Spring 2019; Fall 2021
Financial Economics	Summer 2017
Introduction to Macroeconomics	Spring 2017
Introduction to Microeconomics	Fall 2016

## HONORS, SCHOLARSHIPS, AND FELLOWSHIPS

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<b>Dissertation Writing Fellowship</b> , The University of Texas at Austin	2022
<b>Summer Research Fellowship</b> , The University of Texas at Austin	2021
<b>Professional Development Award</b> , The University of Texas at Austin	2021
<b>Collaborative Research Fellowship</b> , The University of Texas at Austin	2020
<b>Professional Development Award</b> , The University of Texas at Austin	2019
<b>Princeton Initiative: Macro, Money, and Finance</b> , Princeton University	2018
<b>Summer Teaching Fellowship</b> , The University of Texas at Austin	2017

### Presentations

Stanford (scheduled), Notre Dame (scheduled), NBER Summer Institute, Austin Junior Macro Conference\*, 2022  
Carleton University\*, 12th ifo Conference on Macroeconomics and Survey Data, Federal Reserve Board,  
Wake Forest, Rutgers, CFM International Macro Conference\*, Exeter

Society for Economic Dynamics Annual Meeting, Spring Meeting of Young Economists, 2021  
Annual Meeting of the Canadian Economics Association, 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, Bocconi University\* 2020

European Central Bank 2019

(\*Presented by co-author)

**Referee:** Review of Economics and Statistics, Journal of Monetary Economics

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

## WORKING PAPERS

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

2021

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.

## REFERENCES

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**Olivier Coibion**

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## PERSONAL

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**Date of Birth:** March 23, 1994

**Citizenship:** German (F1 Visa)

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

*Last Updated: July 2022*