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Yannick Timmer

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Current Position

2018/09 – Economist (Economist Program), International Monetary Fund, Research/Western Hemisphere Department

Education

2014/09 – 2018/08 Ph.D. in Economics, Trinity College Dublin
Advisor: Philip R. Lane

2016/09 – 2017/05 Visiting Ph.D. Student, Princeton University
Advisor: Markus K. Brunnermeier

2013/09 – 2014/08 M.Sc. in Economics, Trinity College Dublin

2010/10 – 2013/09 B.Sc. in Economics, University of Duesseldorf

Publications

1. "Cyclical Investment Behavior across Financial Institutions"

   Journal of Financial Economics (2018)

   Winner, ECMI Award for the best paper 2016.

   Media: Bloomberg.

   Working Paper: ECMI, ESRB, Deutsche Bundesbank.

   Abstract: This paper contrasts the investment behavior of different financial institutions in debt securities as a response to price changes. For identification, I use unique security-level data from the German Micro-database Securities Holdings Statistics. Banks and investment funds respond in a pro-cyclical manner to price changes. In contrast, insurance companies and pension funds act counter-cyclically; they buy after price declines and sell after price increases. The heterogeneous responses can be explained by differences in their balance sheet structure. I exploit within-sector variation in the financial constraint to show that tighter constraints are associated with relatively more pro-cyclical investment behavior.

2. "Financial Frictions and the Great Productivity Slowdown" with Romain Duval and Gee Hee Hong

   The Review of Financial Studies (2020) (Lead Artile)

   Media: Wall Street Journal, Bloomberg, Brookings, The Hill, Central Banking.

   Working Paper: IMF.

   Abstract: We study the role of financial frictions in explaining the sharp and persistent productivity growth slowdown in advanced economies after the 2008 global financial crisis. Using a rich cross-country, firm-level data set and exploiting quasi-experimental variation in firm-level exposure to the crisis, we find that the combination of pre-existing firm-level financial fragilities and tightening credit conditions made an important contribution to the post-crisis productivity slowdown. Specifically: (i) firms that entered the crisis with weaker balance sheets experienced decline in total factor productivity growth relative to their less vulnerable counterparts after the crisis; (ii) this decline was larger for firms that faced a more severe tightening of credit conditions; (iii) financially fragile firms cut back on intangible capital investment compared to more resilient firms, which is one plausible way through which financial frictions undermined productivity. All of these effects are highly persistent and quantitatively large − possibly accounting on average for about a third of the post-crisis slowdown in within-firm total factor productivity growth. Furthermore, our results are not driven by more vulnerable firms being less productive or having experienced slower productivity growth before the crisis, or differing from less vulnerable firms along other dimensions.

3. "Discriminatory Pricing of Over-the-Counter FX Derivatives" with Harald Hau, Peter Hoffmann and Sam Langfield

   Management Science (forthcoming)
   Media: Bloomberg, Financial Times.

   Working Paper: CEPR, ESRB.

   Abstract: New regulatory data reveal extensive price discrimination against non-financial clients in the FX derivatives market. The client at the 90th percentile pays an effective spread of 0.5%, while the bottom quarter incur transaction costs of less than 0.02%. Consistent with models of search frictions in over-the-counter markets, dealers charge higher spreads to less sophisticated clients. However, price discrimination is eliminated when clients trade through multi-dealer request-for-quote platforms. We also document that dealers extract rents from captive clients and market opacity, but only for contracts negotiated bilaterally with unsophisticated clients.

4. 'The Price of Capital Goods: A Driver of Investment Under Threat?" with Weicheng Lian, Natalija Novta, Evgenia Pugacheva and Petia Topalova

   IMF Economic Review (forthcoming) Media: VoxEU, Reuters, IMFBlog, FAZ (in German)

   Working Paper: IMF .

   Abstract: Over the past three decades, the price of machinery and equipment fell dramatically relative to other prices in advanced and emerging market and developing economies. Using cross-country and sectoral data, we show that the decline in the relative price of tangible tradable capital goods provided a significant impetus to the capital deepening that took place during the same time period. The broad-based decline in the relative price of machinery and equipment, in turn, was driven by the faster productivity growth in the capital goods producing sector relative to the rest of the economy, and its deeper trade integration, which induced domestic producer to lower prices and increase their efficiency. Our findings suggest an additional channel through which rising trade tensions and sluggish productivity could threaten real investment growth going forward.

Working Papers

5. "Tech in Fin before FinTech: Blessing or Curse for Financial Stability?" with Nicola Pierri

   Media: Quartz, Finextra.

   Working Paper: IMF.

   Abstract: Motivated by the world-wide surge of FinTech lending, we analyze the implications of lenders' information technology adoption for financial stability. We estimate bank-level intensity of IT adoption before the global financial crisis using a novel dataset that provides information on hardware used in US commercial bank branches after mapping them to their parent bank. We find that higher intensity of IT-adoption led to significantly lower non-performing loans when the crisis hit: banks with a one standard deviation higher IT-adoption experienced 10% lower non-performing loans. High-IT-adoption banks were not less exposed to the crisis through their geographical footprint, business model, funding sources, or other observable characteristics. Loan-level analysis indicates that high-IT-adoption banks originated mortgages with better performance and did not offload low-quality loans. We apply a simple text-analysis algorithm to the biographies of top executives and find that banks led by more "tech-oriented" managers adopted IT more intensively and experienced lower non-performing loans during the crisis. Our results

suggest that technology adoption in lending can enhance financial stability through the production of more resilient loans.

Previous Experience

2017/10 – 2017/12	Researcher, Governor's Office, Central Bank of Ireland
2017/06 – 2017/09	Financial Stability Expert, ESRB, European Central Bank
2017/05 – 2017/06	Visiting Scholar, Research Department, International Monetary Fund
2016/09 – 2017/02	Cost-free Trainee, ESRB, European Central Bank
2016/07 – 2016/09	Summer Intern, Research Department, International Monetary Fund
2016/04 – 2016/07	Consultant, ESRB, European Central Bank
2015/09 – 2016/03	PhD Intern, Financial Stability Division, Deutsche Bundesbank
2015/05 – 2019/09	Visiting Researcher, Research Data and Service Centre, Deutsche Bundesbank
2014/09 – 2015/08	Research Assistant for Philip R. Lane, Trinity College Dublin
2012/09 – 2012/10	Intern, DB Research, Deutsche Bank

Fellowships and Awards

2019	Top 40 unter 40 in Germany- Capital Magazin
2014/09 – 2018/08	Grattan Scholarship
2017	American Finance Association Travel Grant
2016	Winner of the ECMI Award for the Best Paper
2013	Deutsche Bank Talent Programme

Teaching Experience

2017/11	Ph.D., Financial Economics, Lecturer, Trinity College Dublin & Central Bank of Ireland
2014/09 – 2015/08	M.Sc., Macroeconomics, Teaching Assistant, Trinity College Dublin

Seminar and Conference Presentations

2020	CAFR Workshop on Fintech, Ruhr Graduate School Doctoral conference (keynote speech)
2019	UNCTAD Bangkok, Asian Development Bank, Monetary Authority of Singapore, State Bank of Vietnam, Central Bank of Colombia, Fedesarollo (Colombia), European Economics Association, Bundesbank ECB, ESRB, RWI, European Investment Bank, European Commission, German Ministry of Finance, Ifo Institute, HM Treasury, London School of Economics, Cass Business School, Villanova University
2018	Carlos III Madrid, Bank of England, Cass School of Business, Oxford (Said), Copenhagen Business School, Tilburg University, Federal Reserve Board, Boston College (Carroll), IMF, Spring Meeting of the European Association of Young Economists, Annual Central Bank Conference on the Microstructure of Financial Markets, European Economics Association
2017	Princeton (2x), 6th MoFiR Workshop on Banking, OTC Markets and their Reforms, University of Duesseldorf, Banks and Financial Markets, Internal ECB Capital Markets Workshop, Central Bank of Ireland, Trinity College Dublin, SAEe , Frankfurt School of Finance & Management
2016	Princeton, IGIDR, ECMI, IMF (2x), ICI, Central Bank of Ireland, ASC of the ESRB, First annual ECB Macroprudential Policy & Research Conference
2015	Deutsche Bundesbank, Universitat Pompeu Fabra, Trinity College Dublin

Personal Information

Born: July 8, 1990. Citizenship: German.