YIFAN YU

PRINCETON UNIVERSITY

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Bendheim Center for Finance, Department of Economics, Julis Romo Rabinowitz Building
Princeton University, Princeton, NJ 08544

Placement Director: Steve Redding reddings@princeton.edu 609-258-4016
Graduate Administrator: Laura Hedden lhedden@princeton.edu 609-258-4006

EDUCATION

Princeton University PhD Candidate Economics Expected 2020
Princeton University MA Economics 2016
Mount Holyoke College BA Economics, Mathematics, Magna Cum Laude 2011

EMPLOYMENT

Harvard University June 2015 - August 2015
Research assistant for Professor Gita Gopinath**,** *Department of Economics*

Federal Reserve Bank of Boston June 2011 - July 2014
Senior Research Assistant, *Finance and Macroeconomics Group, Research Department*

United Nations Children's Fund (UNICEF) June 2010 - August 2010
Research Assistant, *Social Policy and Economic Analysis Section*, *East Asia and the Pacific Regional Office*

REFERENCES

Professor Moto Yogo
Bendheim Center for Finance
Department of Economics
Princeton University
myogo@princeton.edu, 609-258-4467

Professor Wei Xiong
Bendheim Center for Finance
Department of Economics
Princeton University
wxiong@princeton.edu, 609-258-0282

Professor Adrien Matray
Bendheim Center for Finance
Department of Economics
Princeton University
amatray@princeton.edu, 609-216-1591

RESEARCH FIELDS

Empirical Finance, Fixed Income Market, Institutional Investors

HONORS

Princeton University Fellowships, *Princeton University* 2014 - 2020
Galbraith Graduate Fellowship for Graduate Education in Economics, *Mount Holyoke College* 2014
Certificate of Excellence, *Federal Reserve Bank of Boston* 2011, 2012
Phi Beta Kappa, *National Academic Honors Society* 2011

TEACHING EXPERIENCE

ECO 363: Corporate Finance and Financial Institutions Spring 2018, 2019
Teaching assistant for Professor David Schoenherr, Professor Adrien Matray
FIN 594/ECO 494: Chinese Financial and Monetary Systems Fall 2016, 2017, 2018
Teaching assistant for Professor Wei Xiong
ECO 361: Financial Accounting Spring 2017
Teaching assistant for Professor Roman Weil

MISCELLANEOUS

Programming: Python, Java, Stata, Matlab, R, Sas
Language: Chinese, English, French, German, Spanish

JOB MARKET PAPER

Institutional Investors in the Corporate Bond Market

Abstract: The U.S. corporate bond market is an institutional market. Given institutional investor's dominance, it is important to understand institution's investment behavior and how institutional trading could affect prices in the corporate bond market. In this paper, I document that, life insurers, who are the largest players in the corporate bond market, shift their portfolios towards bonds with longer duration during the prolonged period of low interest rate over 2010-2017. This is due to life insurers' interest rate risk hedging to ensure better duration matching between their assets and liabilities. I further examine the implication of life insurers' hunt-for-duration behavior for bond prices. Through the event study of FOMC meetings, I investigate whether hunt-for-duration on the part by life insurers can drive overpricing of corporate bonds when negative monetary policy shock hits.

RESEARCH IN PROGRESS

The Impact of the Risk-Based Capital Reform in the Insurance Industry on Corporate Bond Issuance

Abstract: In response to more frequent and severe insolvencies of insurance companies in the late 1980s and early 1990s, National Association of Insurance Commissioners (NAIC) introduced a risk-based capital (RBC) system to limit the amount of risk an insurance company can take. One core component of the RBC rules deals with asset risks stemming from the assets on insurance companies' portfolios. As large participants in the corporate bond market, insurers could react to the RBC system by taking on bonds subject to smaller RBC requirements, thereby creating a shift in credit supply to corporations. Since insurance companies are important sources of funding for U.S. corporations, this paper investigates if the initial adoption of the NAIC RBC regulation in year 1993 affects corporations' ability to raise funds from the corporate bond market. Specifically, I study if bond issuers responded to change in credit supply by issuing less new bonds or inflating yields at issuance to compensate the insurance companies for higher RBC requirements.