YIFAN YU

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EDUCATION

Princeton University PhD Candidate in Economics Expected June 2021
Thesis title: "*Essays on Institutional Investors in Bond Market*"
Princeton University MA Economics 2016
Mount Holyoke College BA Economics, Mathematics, Magna Cum Laude 2011

REFERENCES

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

TEACHING AND RESEARCH FIELDS

Empirical Finance, Fixed Income Market, Institutional Investors, Monetary Policy

TEACHING EXPERIENCE

ECO 312: Econometrics: A Mathematical Approach Fall 2020
Assistant Instructor for Professor Mikkel Plagborg-Moller
ECO 361: Financial Accounting Spring 2020, 2017
Grader for Professor Donal Byard, Professor Roman Weil
ECO 363: Corporate Finance and Financial Institutions Spring 2019, 2018
Assistant Instructor for Professor Adrien Matray**,** Professor David Schoenherr
FIN 594/ECO 494: Chinese Financial and Monetary Systems Fall 2018, 2017, 2016
Assistant Instructor for Professor Wei Xiong

RESEARCH EXPERIENCE

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*

HONORS

Princeton University Fellowships, *Princeton University* 2014 - 2020

Galbraith Graduate Fellowship for Graduate Education in Economics, *Mount Holyoke College* 2014

Certificate of Excellence for Outstanding Research Assistantship, *Federal Reserve Bank of Boston* 2011, 2012

Phi Beta Kappa, *National Academic Honors Society* 2011

JOB MARKET PAPER

Hunt-for-Duration in Corporate Bond Market

Available at https://yifanfish.github.io/paper/paper_ch1.pdf; https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3783599

Abstract: This paper examines the duration hedging behavior in the corporate bond market by studying the investment decisions of life insurance companies, the largest institutional investor in this market. Using security-level data on insurers' bond holdings, I find that life insurers are tilting their corporate bond portfolios towards bonds with higher duration as the interest rates decrease to historical lows since the 2008 financial crisis. This hunt-for-duration behavior is due to life insurers' interest rate risk hedging to ensure better duration matching between their assets and liabilities. I further show that hunt-for-duration by life insurers can drive overpricing of corporate bonds when a negative monetary policy surprise hits.

RESEARCH IN PROGRESS

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

Abstract: I investigate how the risk-based capital (RBC) reform in the insurance industry initiated in year 1993 affect life insurers' investment behavior in corporate bonds, and how RBC-induced distortion in insurers' investment practices could have an impact on credit allocation, and ultimately real investment in the economy. Following the reform, I observe that insurers tilt their portfolios towards lowest rated corporate bonds within a bond risk category defined by the RBC rule. Through shifting insurers' bond demand, I find that the RBC reform changes the credit supply conditions to a particular group of firms: those that have credit ratings barely fitting into a low risk category, and belong to industries where insurers hold more corporate bonds prior to the reform. Furthermore, I find that these firms take advantage of the more favorable credit

allocation conditions to increase investment and employment after the reform. These results highlight a channel through which the regulatory reform in the insurance industry can bear real consequences.

The Portfolio Balance Channel of Quantitative Easing: Inspecting the Insurance Companies

Abstract: Using data on U.S. insurance companies' bond holdings, I study whether insurers rebalanced their bond portfolios during Quantitative Easing (QE) programs initiated by the Federal Reserve (Fed) since the 2008 financial crisis. Specifically, I examine whether insurers sold QE assets and replaced them with corporate bonds when the Fed conducted large-scale asset purchases. This paper investigates how unconventional monetary policy could affect credit supply condition in the real economy through the insurance sector.

MISCELLANEOUS

Programming: Stata, Python, Java, Matlab, R, Sas
Language: English, Chinese, French (intermediate), German (basic), Spanish (basic)
Interest: Drawing and painting with mixed mediums