

Teaching and Research Fields:

Primary field: International Trade
Secondary fields: International Finance, Asset Pricing

Teaching Experience:

Fall 2006 Capital Markets, Harvard University, Head Teaching Fellow for Professor John Y. Campbell
Fall 2005 Capital Markets, Harvard University, Teaching Fellow for Professor John Y. Campbell
Spring 2003 International Trade, University Paris I – Sorbonne, Teaching Fellow for Professor Lionel Fontagné
Spring 2003 Trade and Globalization, ENSAE (Paris, France), Lecturer

Research Experience:

2005 – 2006 N.B.E.R., Research Assistant for Professor John Y. Campbell
2004-2005 Harvard University, Research Assistant for Professor Pol Antràs
2004 Harvard University, Research Assistant for Professor Philippe Aghion
2004 Council of Economic Advisor to the Prime Minister (Paris, France), Research Consultant
2001-2002 CEPREMAP (Paris, France), Research Assistant for Professors Daniel Cohen and Philippe Askenazy

Other Employment:

2001 – 2002 CPR Bank, Crédit Agricole – Indosuez group, Paris, France
Trading and Research Consultant for the Weather Derivatives and Proprietary Trading desks
Summer 1999 UNESCO, Paris, France
Intern at the Prospective Unit

Professional Activities

June 2006 The Third Biennial McGill Conference on Global Asset Management
2005 – present Referee: *The Economics of Transition*

Honors, Scholarships, and Fellowships:

2007-2008 Doctoral Dissertation Completion Fellowship, Graduate School of Arts and Science, Harvard University
2007 Russell Sage Foundation, Small Grants Program in Behavioral Economics
2002-2005 Harvard University Graduate Fellowship
1998-2002 Ecole Normale Supérieure, Paris, France, Full fellowship

Research Papers:

“Demand Shocks, Transportation Mode and the Distance Elasticity of Trade Flows”

(JOB MARKET PAPER)

Abstract: There is considerable variation in the distance elasticity of trade flows across sectors. This paper argues that the relative prevalence of air transportation vs. slower transportation, and the premium paid for it, also vary across sectors and can account for a large share of this variation in distance elasticities.

Our model integrates demand uncertainty and choice of transportation mode to explain varying prevalence rates based on the distribution of demand uncertainty in each sector. The basic firm-level trade-off in choosing transportation mode consists of weighing the extra cost of fast transportation against the gained mitigation of uncertainty risk: shorter lags between production decisions and sales allow for more precise forecasts and better matches between quantities produced and sold. So firms facing higher demand uncertainty have higher incentives to choose air transportation. And firms beyond a certain level of uncertainty (the exporting threshold) do not export at all.

This sorting pattern and its drivers have three main implications for trade patterns at the sector level. First, in sectors where transportation costs are more sensitive to distance, trade flows are also more sensitive to distance. Second, in sectors with more firms choosing slow transportation, trade flows are less elastic to distance. Third, in sectors with less dispersion in the distribution of uncertainty, trade flows respond more to distance because the share of exporters responds more to induced movements in the exporting threshold. We also derive implications for the determinants of the prevalence of each transportation mode. We find strong support for our predictions: overall the factors we highlight explain over 60% of the variation in distance elasticities across sectors.

“Global Currency Hedging” (with John Y. Campbell and Luis M. Viceira), NBER Working Paper # 13088, May 2007 – (revise and resubmit *Journal of Finance*)

Abstract: This paper considers the risk management problem of an investor who holds a diversified portfolio of global equities or bonds and chooses long or short positions in currencies to manage the risk of the total portfolio. Over the period 1975-2005, we find that a risk-minimizing global equity investor should short the Australian dollar, Canadian dollar, Japanese yen, and British pound but should hold long positions in the US dollar, the euro, and the Swiss franc. The resulting currency position tends to rise in value when equity markets fall. This strategy works well for investment horizons of one month to one year. In the past 15 years the risk-minimizing demand for the dollar appears to have weakened slightly, while demands for the euro and Swiss franc have strengthened. These changes may reflect the growing role for the euro as a reserve currency in the international financial system. The risk-minimizing currency strategy for a global bond investor is close to a full currency hedge, with a modest long position in the US dollar. Risk-reducing currencies have had lower average returns during our sample period, but the difference in average returns is smaller than would be implied by the global CAPM given the historical equity premium.

Research Paper in Progress

Behavioral Economics and Economists’ Behavior (with Filipe Campante, Davin Chor, Brent Neiman and Matthew Weinzierl)