

Emile-Alexandre Marin

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Education

PH.D. ECONOMICS, DARWIN COLLEGE, UNIVERSITY OF CAMBRIDGE, 2021 *expected*.

Supervisor: *Prof. Giancarlo Corsetti*

Topic: *Exchange Rates, Capital Controls and the Hegemon's Dilemma*

Prof. Giancarlo Corsetti,
University of Cambridge,
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Prof. Vasco M. Carvalho,
Faculty of Economics,
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M.PHIL ECONOMIC RESEARCH, DARWIN COLLEGE, UNIVERSITY OF CAMBRIDGE, 2015.

Thesis title: *Sovereign Corporate Connectedness*

B.SC ECONOMICS, QUEEN MARY, UNIVERSITY OF LONDON, 2014.

Top 1% of cohort. First Class Honours.

Research

The Hegemon's Dilemma (2021) [Job Market Paper].

I study the trade-offs faced by a monopoly issuer of dominant currency (dollar) debt – the hegemon – when there are dollar shortages in international markets. Because dollars are scarce, the hegemon earns monopoly rents from issuing dollar debt, proportional to its debt position, but faces a sharp currency appreciation which can depress demand for its exports and lead to losses on a portfolio of foreign assets. Within a standard small-open economy model with segmented financial markets, I derive the constrained optimal allocation for the hegemon, attained by a mix of monetary, fiscal and macro-prudential policy. Monetary policy is effective in stabilizing demand but its efficacy is constrained by private sector over-borrowing (when macro-prudential policy is not available). Dollar swaps, by increasing liquidity of dollars in international markets, address domestic over-borrowing at the cost of eroding monopoly rents. Extending the model to allow for a measure of households who are not active in financial markets, I show that dollar shortages have distributional consequences – which dollar swaps can address.

Exchange Rate Risk and Business Cycles (2021), with Simon Lloyd. [Cambridge WP] [submitted]

We show that currencies with a steeper yield curve tend to depreciate at business-cycle horizons. We identify a tent-shaped relationship between the exchange-rate risk premium and the relative yield curve slope across horizons that peaks at 3 to 5 years. This empirical regularity is robust to a number of controls, including return differentials and bond liquidity yields. Within a no-arbitrage framework, we demonstrate that exchange-rate risk premia reflect investors' changing valuations of returns over the business cycle. Risks driving exchange rates must therefore be transitory and cyclical, indicative of 'business-cycle risk'. We calibrate a two-country, two-factor model for the term structure of interest rates to reflect business-cycle risk. We show that it can quantitatively reproduce the tent-shaped relationship we observe in the data, as well as variation in uncovered interest parity regression coefficients across horizons.

Capital Controls and Free Trade Agreements (2021), with Simon Lloyd

Joint determination of optimal capital controls and trade policy.

Exchange Rates and Equity Returns in the Short and Long Run (2021), with Giancarlo Corsetti, Simon Lloyd and Daniel Ostry

A Century of Arbitrage and Disaster Risk Pricing in Foreign Exchange Markets (2020), with Giancarlo Corsetti [CFM WP]

Use of historical time series to show that disaster risk drives exchange rate premia.

Self-Fulfilling Crises and Country Solidarity (2018) [ADEMU Working Paper].

Optimal, implicit bailout guarantees can eliminate multiple equilibria in debt markets. CERF Best Paper Award 2017.

In non-refereed publications:

The dollar and international capital flows in the COVID-19 crisis (with Giancarlo Corsetti), VOX EU 2020

Emerging market currency risk around 'global disasters': Evidence from the Global Financial Crisis and the COVID-19 crisis (with Giancarlo Corsetti and Simon Lloyd), COVID-19 in Developing Economies, CEPR ebook 2020

Professional Experience/ Visiting Positions

Visitor, Research Department, Federal Reserve Bank of New York. November-December 2019.

Visiting Lecturer, London School of Economics. 2018-2019.

PhD Traineeship, International Policy Analysis, European Central Bank DG\ I, May 2017- January 2018.

Other: *Intern*, Ministry of Justice, London (2014), National Guard of Cyprus, Nicosia (2011).

Teaching

University of Cambridge,

PhD Computational Methods, incl. Perturbation, Projection, Value Function Iteration and Heterogeneous agents (2017-2019)

MPhil Research Advanced Macroeconomics II, incl. Incomplete Markets, Search and Matching, International Macro, feedback: 4.6/5 (2017-2018), 4.5/5 (2018-2019)

Diploma Microeconomics (Post-graduate) Game Theory, Public Choice (2020-2021)

Part IIB (3rd year Tripos) Economic Growth, Business Cycles, International Macro (2015- 2017)

London School of Economics,

EC421 International Macroeconomics (MSc Course Lecturer), feedback: 4.4/5 (2018/19)

Tools & Advanced Tools for Macroeconomics, Computational Methods and Macro (2017, 2019, 2020)

Other courses: Diploma Micro (2021), Computational Methods- University of Helsinki (2018), Heterogeneous Agents- EABCN Bank of England (2019)

Presentations

Society for Economic Dynamics (2021), Money, Macro, Finance (Cambridge 2021, LSE 2019), U. Cyprus (2021), Bank of England (2020), Oxford Nuffield PhD Conference (2020), New York FED Research (2019), CEPR ESSIM (2019), BIS (2019), RES (2021, 2019), ECB (2018), CRETE (2018,2019), Toulouse ADEMU (2017).

Refereeing

European Economic Review, Scandinavian Journal of Economics, B.E. Journal of Economics

Grants and Awards

Keynes Fund Grant, Faculty of Economics, Cambridge:

1. Disaster Risk, Asset Prices and the Macroeconomy (£104,726,50)
2. Inefficient capital flows and the hegemon's dilemma (£3,500)

Teaching Award U.Cambridge (2021), Cambridge Trust Fund (2018, 2019), Cambridge Endowment for Research in Finance Scholarship (CERF) (2015-2018), CERF Best Paper Award (2017)

QMUL Principal's Prize (2014), QMUL Annual Fund Scholarship (2013)

Other: Cyprus National Guard Commendation (2011), Bank of Cyprus Student Excellence Scholarship (2010), Municipality of Strovolos Award for Academic Performance and Ethos (2010).

Proficiencies

Computer Skills:

Advanced: EViews, \LaTeX , Matlab, Microsoft Office, MS Excel, STATA

Intermediate: Python, SQL, SAS Enterprise Guide, Visual Basic

Languages:

English, Greek (*fluent*), French (*advanced/ intermediate*)

Other Activities:

Management of Darwin College Bar (£100,000 *annual revenue*), Powerlifting.