

MATTEO MAGGIORI

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I will be an Assistant Professor in Finance at New York University Stern School of Business starting on July 1st 2012, with a joint appointment as Assistant Professor of Economics at New York University Economics Department.

For the academic year 2012-13 I will be on leave to be a Fellow at Princeton University, Department of Economics, International Economics Section.

Education

University of California, Berkeley, Berkeley, USA, 2007-2012

Haas School of Business, PhD in Finance

MS in Finance, Dec 2009

Thesis: Essays in International Finance and Macroeconomics

Advisory Committee: Nicolae Gârleanu, Pierre-Olivier Gourinchas (Co-Chair), Martin Lettau (Co-Chair), Maurice Obstfeld, and Andrew Rose

Warwick University, Coventry, UK, 2004-05

Department of Economics and Business School

MSc in Economics and Finance

Distinction.

Luis Guido Carli University, Rome, Italy, 2001-04

Department of Economics

Laurea triennale (BSc) in Economics

110 summa cum laude (publication honors)

Research and Teaching Fields

Primary fields: International finance and macroeconomics

Research Topics: Global financial architecture, international portfolios, time-varying risk premia and risk sharing, credit constraints, macroeconomic frictions, financial intermediation, currency returns, reserve currencies, exchange rate manipulation

Research and Teaching Assistantship Experience

Teaching Assistant: Winner of the 2012 Outstanding Graduate Student Instructor teaching award

-Full Time MBA, Options and Futures, spring 2011, Prof. Nicolae Gârleanu. Evaluation: 6.6/7

-Evening and Weekend MBA, Options and Futures, spring 2011, Prof. Nicolae Gârleanu. Evaluation: 6.56/7

Graduate Research Assistant:

- Prof. Maurice Obstfeld (2008-09)
- Prof. Pierre-Olivier Gourinchas (2009)

Honors and Awards

Scholarships, Research and Travel Grants:

- Princeton University, International Economics Section and Department of Economics, postdoctoral fellowship (2012-13)
- UC Berkeley Institute for Business and Economic Research (IBER), research grant (2012)
- White Foundation Scholarship, dissertation fellowship (2011-12)
- UC Berkeley Clausen Center for International Business and Policy, research grant (2011)
- American Finance Association (Denver), student travel grant (2011)
- UC Berkeley Institute for Business and Economic Research (IBER), research grant (2010)
- UC Berkeley Graduate Division PhD Conference, travel grant (2010)
- White Foundation Scholarship, research fellowship (2010-11)
- Fondazione Marco Fanno, research fellowship (2008-09-10)
- Fondazione Luigi Einaudi, research fellowship (2007-08)
- Erasmus Scholarship (European Union), undergraduate exchange program fellowship (2003)

Prizes, Honors and Awards:

- Finance Theory Group Prizes for Best Theory Papers on the Job Market, second prize (2012)
- SAC Capital PhD Candidate Award for Outstanding Research, Western Finance Association (2012)
- Review of Economics Studies May Meetings (European tour), participant (2012)
- Outstanding Graduate Student Instructor teaching award (2012)
- Final Year Gold Medalist (Luiss, 2004)
- Special mention and publication honors by the Graduation Committee (Luiss, 2004)
- Best Student of the Year (Luiss, 2002)
- Mention for High School Academic Excellence (Mayor of Rome, 2001)

Other Research Activities:

Presentations:

2013 (scheduled): American Finance Association

2012 (completed or scheduled): Northwestern Kellogg (Finance), London Business School (Finance), London School of Economics (Economics), London School of Economics (Finance), Yale School of Management (Finance), New York University (Economics), New York University Stern (Finance), Stanford University Graduate School of Business (Finance), Massachusetts Institute of Technology Sloan (Finance), University of Chicago Booth (Finance), University of California Los Angeles Anderson (Finance), Boston College Carroll (Finance), NBER International Finance and Macroeconomics Spring meeting, Review of Economics Studies European Tour (University of Mannheim, University of Leicester, IGIER-Bocconi University), Society of Economic Dynamics, Western Finance Association

2011: London Business School (Economics), Joint Berkeley-Stanford PhD Seminar (Stanford GSB), London Business School Transatlantic PhD Conference, UC Berkeley (International Trade and Finance Seminar, Macroeconomics Seminar, Financial Economics lunch seminar), UC Berkeley Haas (Finance Job Market Seminar)

Workshops and Short Courses (attendance by invitation):

- Chicago Booth Symposium on Financial Regulation and Risk Management (2011)
- Stanford Institute for Theoretical Economics (SITE) (2011)
- NBER Entrepreneurship Boot Camp (2009)

Referee

Review of Economic Studies, Review of Economic Dynamics.

Professional Experience

JP Morgan, London (UK) and New York (USA), 2005- 2007

Trader, Strategic Trading Group, London

Proprietary global-macro trading of foreign exchange and interest rates.

Fundamental Markets training program, New York, Aug-Nov 2005

JP Morgan, London, Jun-Sep 2003

Summer Intern, Debt and Capital Markets

International bond and loan pricing and origination

Other

Personal: Italian Citizen. Born 01-11-1982, Rome, Italy

Languages: Italian, English, French (basic)

Other Affiliations: Aspen Institute Italia (Junior Fellow, 2010-present)

Research Papers

Working papers:

Financial Intermediation, International Risk Sharing, and Reserve Currencies (Job Market Paper)

I provide a framework for understanding the global financial architecture as an equilibrium outcome of the risk sharing between countries with different levels of financial development. The country that has the most developed financial sector takes on a larger proportion of global fundamental and financial risk because its financial intermediaries are better able to deal with funding problems following negative shocks. This asymmetric risk sharing has real consequences. In good times, and in the long run, the more financially developed country consumes more, relative to other countries, and runs a trade deficit financed by the higher financial income that it earns as compensation for taking greater risk. During global crises, it suffers heavier capital losses than other countries, exacerbating its fall in consumption. This country's currency emerges as the world's reserve currency because it appreciates during crises and so provides a good hedge. The model is able to rationalize these facts, which characterize the role of the US as the key country in the global financial architecture.

The U.S. Dollar Safety Premium

I show that the US dollar earns a safety premium versus a basket of foreign currencies and that this premium is particularly high in times of global financial stress. These findings support the view that the dollar acts as the reserve currency for the international monetary system and that it is a natural safe haven in times of crisis, when a global flight to quality toward the reserve currency takes place. During such episodes, investors are willing to earn negative expected returns as compensation for holding safe dollars. I estimate the time varying dollar safety premium by using instrumental variable techniques to condition information down.

Work in progress:

Conditional Currency Risk Premia (with Martin Lettau and Michael Weber)

Unconditional CAPM cannot price the cross-section of currency returns. Currencies with higher interest rates have higher betas with the market; however, the estimated market price of risk is implausibly high. The downside risk CAPM (DR-CAPM) can reconcile this evidence and price the cross-section of currency returns. The difference in beta between high and low interest rate currencies is higher in bad times, when the market price of risk is high, than it is in good times. Correctly accounting for this time variation is

crucial for the empirical performance of CAPM. We also show that the DR-CAPM can jointly explain the cross-section of equity and currency returns.

A Note on New Estimates of Currency Returns

The dataset provides currency returns at monthly and quarterly horizon for 53 currencies for the period 1973-2010. The returns are decomposed into the exchange rate movement and the interest rate differential. The data are built from a variety of public and proprietary sources. The methodology used to build the data is discussed in detail to facilitate adaptations for various research needs. The quality of each data source, including those previously used in the literature, is reviewed in detail. The dataset improves the data currently available for research along three dimensions: the time span, the number of currencies covered and the quality of the time series.

References

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