

ERIC FISCHER

Office Contact Information

Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, CA 94105

Personal Information

415-977-3505
eric.fischer@sf.frb.org
<http://ericfischerphd.com>
Citizenship: USA

Current Position:

Financial Economist, Federal Reserve Bank of San Francisco August 2018 – Present

Quantitative Fellow, Federal Reserve Bank of San Francisco (July 2016 – July 2018)

- Federal Reserve Bank of San Francisco (July 2016 – May 2017)
- Federal Reserve Bank of Chicago (June 2017 – August 2017)
- Federal Reserve Board of Governors (September 2017 – January 2018)
- Federal Reserve Bank of New York (February 2018 – April 2018)
- Federal Reserve Bank of Minneapolis (May 2018 – July 2018)

Research and Teaching Fields:

Fields: stress testing, financial stability, international finance

Education:

Ph.D., Economics, University of California, Santa Cruz, 2011 – 2016.

Thesis title: “Essays on Monetary Policy, Global Financial Flows and Financial Stability”

M.A., Economics, University of California, Santa Cruz, 2013.

M.A., Economics, University of San Francisco, 2010.

Specialization: International Economics

B.S.F.S., International Economics (Honors), Georgetown University, 2003.

Specialization: International Finance & Commerce

Honors Certificate: Karl F. Landegger Program in International Business Diplomacy

Working Papers:

Bond Flows and Liquidity: Do Foreigners Matter? (with Jens H.E. Christensen and Patrick Shultz)
Federal Reserve Bank of San Francisco Working Paper 2019-08. (Revise and Resubmit Journal of International Money and Finance)

In their search for yield in the current low interest rate environment, many investors have turned to sovereign debt in emerging market economies, which has raised concerns about risks to financial stability from these capital flows. To assess this risk, we study the effects of changes in the foreign-held share of Mexican sovereign bonds on their liquidity premiums. We find that recent increases in foreign holdings of these securities have played a significant role in driving up their liquidity premiums. Provided the higher compensation for bearing liquidity risk is commensurate with the chance of a major foreign-led sell-off in the Mexican government bond market, this development may not pose a material risk to its financial stability.

JEL Classification: E43, E44, F36, G12

Monetary Surprises and Global Financial Flows: A Case Study of Latin America

(Journal of Emerging Market Finance)

This paper examines the effect of Federal Reserve announcements on global financial flows to Latin America since the Global Financial Crisis. The Federal Reserve announcements are classified using daily measures of expectations from a shadow rate term structure model as easing (unexpected), tightening (unexpected), easing (expected), and tightening (expected). This classification is then used for an event study on daily global financial flows classified by asset class (debt, equity), currency (all currencies, hard currency, local currency), and region (Latin America, Brazil, Mexico). The results suggest easing (unexpected) and tightening (unexpected) announcements cause debt outflows but have no effect on equity flows to Latin America. Local currency debt flows to Latin America are more sensitive than the hard currency debt flows and Brazil is the country in Latin America that responds most to these announcements.

JEL Classification: F32, G14, G15, N26

The Effect of US Monetary Policy on Emerging Market Debt Flows

This paper examines the effects that changes to U.S. monetary expectations have had on debt flows to emerging markets since the Global Financial Crisis. First, daily interest rate expectations measured by federal fund futures and a shadow rate model are used to classify Federal Reserve announcements as easing (unexpected), tightening (unexpected), easing (expected), and tightening (expected). Second, the announcements classified by the shadow rate model are used for an event study on daily emerging market debt flows classified by currency (all currencies, hard currency, local currency, mixed currency), investor (all investors, active investors, passive investors), and region (Asia excluding Japan, Europe Middle East and Africa (EMEA), Latin America, and Global Emerging Markets (Global EM)). The results show that tightening (unexpected) announcements cause emerging market debt outflows, hard currency debt flows respond more to announcements than local currency debt flows, and passive investors respond more than active investors. Debt flows to Latin America respond more to announcements than debt flows to Asia ex-Japan, EMEA, and Global EM.

JEL Classification: E43, F21, F32, F34, G23

Bank Avalanche Model of Systemic Risk (with Robert Logan, Judith Samson)

This paper examines how financial network architecture affects financial system performance and systemic risk. First, this paper outlines the behavioral rules of the banks, non-financial transactors, and related aspects of this agent-based model. Second, this paper analyzes the financial stability of this agent-based model in a complete network, unconnected network, circle network, and star network using computer simulations. Simulations are conducted for good economic conditions and for bad economic conditions. The results indicate that the circle network performs best in terms of bank lifespan and profitability among all other networks and that there is greater dispersion in profitability and financial stability when there are good economic conditions than when there are bad economic conditions.

JEL Classification: D85, E37, G21, G33, G38

Work in Progress:

Information in Market- and Credit-Based Industry Factors

(with Arkady Gevorkian and Carlos Gutierrez-Mangas)

Inflation Expectations and Risk Premia in Emerging Bond Markets: Evidence from Mexico (with Remy Beauregard, Jens H.E. Christensen, Simon Zhu)

References:

Michael M. Hutchison
Professor of Economics
UC Santa Cruz, Department of Economics
473 Engineering 2
Santa Cruz, CA 95064
Tel: (831) 459-2600
hutch@ucsc.edu

Daniel Friedman
Professor of Economics
UC Santa Cruz, Department of Economics
417 Engineering 2
Santa Cruz, CA 95064
Tel: (831) 459-4981
dan@ucsc.edu

Carl E. Walsh
Professor of Economics
UC Santa Cruz, Department of Economics
467 Engineering 2
Santa Cruz, CA 95064
Tel: (831) 531-7147
walshc@ucsc.edu

Jens H.E. Christensen
Research Advisor, Financial Research
Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, CA 94105
Tel: (415) 974-3115
jens.christensen@sf.frb.org

Teaching Experience:

Instructor:

Fall 2020, Money, Banking and Financial Institutions, University of San Francisco.
Spring 2015, Financial Crises – Morals and Markets, University of California, Santa Cruz.

Teaching Assistant: Econometrics (Fall 2015), Macroeconomics (Spring 2016, Winter 2016, Winter 2015, Fall 2014, Spring 2013), Economic History of the US (Spring 2014), Making of Modern Middle East (Winter 2014), Why Economies Succeed or Fail (Fall 2013), Microeconomics (Winter 2013, Fall 2012, Fall 2002), Economic Rhetoric (Spring 2012), Econometrics (Spring 2009).

Research Experience:

Summer 2015 Intern, U.S. Department of the Treasury, Office of International Affairs. Washington DC.
Summer 2013 Intern, U.S. Department of the Treasury, Office of International Affairs. Washington DC.
Summer 2012 Field Research Coordinator, University of San Francisco. Amman, Jordan.
2010 Economist, Millennium Challenge Corporation. Rabat, Morocco.
2009 Consultant, Revenue Watch Institute. New York, NY.
2008 Research Assistant, Freeman Spogli Institute (PESD), Stanford University. Palo Alto, CA.
2005 Analyst, Hong Kong Shanghai Banking Corporation (HSBC). San Francisco, CA.
Summer 2002 Intern, U.S. Department of State. Moscow, Russia.

Honors, Scholarships, and Fellowships:

2016 Dissertation Fellowship, Financial Stability Directorate, Banco de Mexico.
2014 Chancellor's Graduate Teaching Fellowship, University of California, Santa Cruz.
2013 Mini-grant, Center for Analytical Finance (CAFIN), University of California, Santa Cruz.
2011 Regents Fellowship, University of California, Santa Cruz.
2010-2011 David L. Boren Graduate Fellowship, National Security in Education Program (NSEP).
2007 Ambassadorial Scholar, World Affairs Council of Northern California.
2003 Certificate, International Business Diplomacy, School of Foreign Service, Georgetown University.
2002-03 John Hume Junior Fellowship, Institute for the Study of Diplomacy, Georgetown University.

Workshop, Seminar, and Conference Presentations:

- 2021 American Economic Association (scheduled).
- 2020 Western Economic Association International Conference Denver, Federal Reserve Bank of Atlanta Quantitative Skills Conference, (scheduled), World Bank (scheduled), and Southern Finance Association Palm Springs (scheduled).
- 2019 Western Economic Association International Conference San Francisco, IX FIMEF International Financial Research Conference, Southern Economic Association Conference, Federal Reserve Bank of Atlanta Quantitative Skills Conference, Federal Reserve Bank of San Francisco.
- 2018 Federal Reserve Board, Federal Reserve Bank of New York Quantitative Fellowship Program Symposium, Western Economic Association International Conference Vancouver, Federal Reserve Bank of Atlanta Quantitative Skills Conference.
- 2017 Western Economic Association International Conference San Diego, Federal Reserve Bank of New York Quantitative Fellowship Program Symposium, Federal Reserve Bank of Chicago QuantFest Research Conference, Federal Reserve Board.
- 2016 Federal Reserve Bank of San Francisco, Federal Reserve Board, Bureau of Economic Analysis, Bank of England, University of San Francisco, CSU-Long Beach, SDSU, Trinity College Dublin, Banco de Mexico, Federal Reserve Bank of Chicago QuantFest Research Conference.
- 2015 Graduate Student Research Symposium, University of California, Santa Cruz.
- 2014 Economic Round Table of San Francisco, San Francisco, CA.
Research Frontiers Day, University of California, Santa Cruz.
Capital Group Research Workshop, San Francisco, CA.
TU Dresden “Intro Course in Individual-, and Agent-Based Modeling”, Dresden, Germany.
Kiel Institute Summer School “Reassessing Monetary Policy”, Kiel, Germany.
15th Trento Summer School Intensive Course on “Financial Crises”, Trento, Italy.
Graduate Student Research Symposium, University of California, Santa Cruz.
Center for Analytical Finance (CAFIN) Workshop, University of California, Santa Cruz.

Affiliations:

American Economic Association (AEA)
International Banking and Finance Association (IBEF)
Financial Stability Working Group, Institute for New Economic Thinking (INET).
Center for Analytical Finance (CAFIN), University of California, Santa Cruz.

Other:

Languages: English (native), German (advanced), Arabic (advanced), Russian (intermediate).
Computer: Stata, R, Eviews, Matlab, Gitlab, SQL, NetLogo, Bloomberg, Haver, ICE, MSCI, IBES, FR Y-9C, FR Y-14, Shared National Credit (SNC), Moody’s DRD and EDF, EPFR Global, SNL Financial.