

TEACHING EXPERIENCE	<p>Macroeconomic Theory II (graduate, MIT course 14.452), Teaching Assistant to Professor Olivier Blanchard. Spring 2007</p> <p>International Economics II (graduate, MIT course 14.582), Teaching Assistant to Professors Ricardo Caballero and Guido Lorenzoni. Fall 2006, Fall 2005</p> <p>International Trade (undergraduate, MIT course 14.54), Teaching Assistant to Professor Guido Lorenzoni. Fall 2006, Fall 2005</p> <p>Teaching Assistant in the following undergraduate courses at PUC-Rio: Economic Theory I (PUC-Rio course ECO1109), Calculus I (PUC-Rio course MAT1105), National Accounting (PUC-Rio course ECO1212), Microeconomic Theory II (PUC-Rio course ECO1214), Economic and Social Development (PUC-Rio course ECO1203). 1998-2001</p>
RELEVANT POSITIONS	<p>Consultant, World Bank, Development Economics Research Group (DECRG) – Macroeconomics and Growth. Summer 2007</p> <p>Research Assistant to Professor Olivier Blanchard, MIT. Fall 2006</p> <p>Consultant, World Bank, DECRG – Macroeconomics and Growth. Summer 2005</p> <p>Research Associate, Gavea Investments (Hedge Fund), Brazil Summer 2004</p> <p>Consultant, World Bank, DECRG – Macroeconomics and Growth. July 2001 - August 2003</p> <p>Research Assistant to Professor Bryan Ellickson, UCLA. Spring 2001</p> <p>Research Assistant to Professor Marcio Garcia, PUC-Rio. 1998-2001</p>
FELLOWSHIPS, HONORS, AND AWARDS	<p>David Finch Fellowship, Massachusetts Institute of Technology, 2006.</p> <p>Graduate Fellowship, Massachusetts Institute of Technology, 2003-2005.</p> <p>Graduated with the highest GPA in the history of the Economics Department, PUC-Rio, 2001.</p> <p>PET Fellowship, PUC-Rio, 1999-2000.</p> <p>National Research Council Scholarship (PIBIC program), PUC-Rio, 1998-2001.</p>
PUBLICATIONS:	<p>“Vanishing Contagion?” with P. Mauro and S. Schmukler. <i>Journal of Policy Modeling</i>, forthcoming.</p> <p>IMF Policy Discussion Papers 06/01, 2006. Featured in the <i>Dow Jones Newswires</i> (January 25, 2006); <i>Clarín</i> (Argentina) (January 27, 2006).</p> <p>Abstract: While a number of emerging market crises were characterized by widespread contagion during the 1990s, more recent crises (notably in Argentina) have been mostly contained within national borders. This has led some observers to wonder whether contagion might have become a feature of the past, with markets now better discriminating between countries with good and bad fundamentals. This paper argues that a prudent working assumption is that contagion has not vanished permanently. Available data do not seem to point to a disappearance of the main channels that contribute to the transmission of crises across countries. Moreover, anticipation of the Argentine crisis by international investors may help explain the recent absence of contagion.</p>

PUBLICATIONS: “**Very High Interest Rates and the Cousin Risks: Brazil during the Real Plan,**” in Jose Gonzalez and Anne Krueger, eds., Latin American Macroeconomic Reforms: The Second Stage, *The University of Chicago Press*. Reprinted as “Taxa de Juros, Risco Cambial, e Risco Brasil” in *Politica e Planejamento Economico* 33 (2), pp.253-97, August 2003. (Joint with M. Garcia.)
Presented at the *Stanford Center for International Development’s Latin America Conference on Macroeconomic Policy Reform, Stanford, 2000*, at the *LACEA 2001 Annual Meetings, Montevideo, Uruguay*, and at the *XXIX Encontro Nacional de Economia, Salvador, Brazil, 2001*.

Abstract: This paper computes and estimates two risks that keep Brazilian interest rates extremely high: the currency and country risks. The country risk is directly measured from fixed income instruments and derivatives, while the currency risk is estimated via a Kalman Filter. The paper also identifies a few important components of these risks, e.g. the convertibility risk. Preliminary results indicate that high domestic interest rates are associated with conditions in international financial markets and uncertainty concerning the current account sustainability. Therefore, export growth is important to achieve lower real interest rates.

RESEARCH PAPERS: “**The Current Account as a Dynamic Portfolio Choice Problem**” (Job Market Paper), with A. Lowenkron.
Presented at the *Setimo Encontro Brasileiro de Financas* in Sao Paulo, Brazil, 2007.

Abstract: The current account problem can be understood as the outcome of investment decisions made by domestic and foreign investors. Focusing on this asset allocation aspect of the problem, we analyze the implications that time-varying portfolio shares have on the dynamics of the current account. We emphasize the importance of innovations on the investment opportunity set, captured by changes in expected asset returns, as the main mechanism behind variations in countries’ portfolios. We provide a theoretical framework and, most significantly, empirically test this mechanism on the dynamics of the current account. We evaluate the predictions of a partial-equilibrium model of the current account, with dynamic portfolio choices. Using data for the U.S. and Japan, we show that variations in investment opportunities change agents’ optimal portfolios in a direction consistent with the actual bilateral current account movements. Furthermore, we provide econometric evidence of a robust positive relation between our predicted and the actual bilateral current account series. Therefore, our approach highlights changes in expected asset returns as an important mechanism to explain international capital flows.

RESEARCH IN PROGRESS: “**Unexploited Gains from International Diversification: Evidence from the Mutual Fund Industry,**” with R. Rigobon and S. Schmukler. Work in progress.
Presented at the *LACEA 2006 Annual Meetings, Mexico City, Mexico* and at the *American Economic Association 2007 Annual Meetings, Chicago, IL*.

Abstract: This paper studies the lack of perfect international diversification by analyzing unique micro data on U.S. institutional investors’ international holdings. It focuses on three questions related to international investment and access to international capital markets. First, does the structural change in the U.S. mutual fund industry towards more “aggregation” (favoring larger funds that invest globally over smaller funds that invest in specific countries or regions) affect countries and firms? Second, are investors forgoing gains from international diversification by shifting to more global funds? Third, what explains this shift in the industry toward more global funds, particularly if diversification

RESEARCH IN PROGRESS: gains are being forgone? The work has several important implications for emerging and transitional economies trying to attract foreign capital and trying to develop their own institutional investor bases. It sheds some light on the scope of action that government and companies have when attracting funds from domestic and international institutional investors. It also highlights how sensitive these investments are to several country and firm-level factors.

“Happy Tiger, Expensive Dragon? Speculation, Optimism, and Segmentation in China’s Stock Market,” with J. Tessada. Work in progress.

Abstract: Chinese stock markets were completely segmented until very recently. Firms could issue identical shares except for ownership restrictions: shares for domestic investors (A shares) and shares for foreign investors (B and H shares). Although domestic shares traded in other markets in similar situations have usually been traded at a discount, in China A shares are traded at a premium over B and H shares. In this project, we explore this apparent disparity. We extend a model of speculation and optimism in stock markets to incorporate heterogeneous investors and segmented markets. Preliminary results suggest that this theoretical framework can reconcile these two cases. A regulatory change allows domestic investors to trade B shares let us empirically analyze the mechanisms proposed using the still segmented H market. The goal of this work is to shed some light on issues of capital account liberalization in a large developing country. We also want to examine factors that can make capital flows more stable in the process of opening of the capital account, with emphasis on the factors driving the behavior of individual investors in domestic and foreign markets.

“The First Five Years of the Inflation-Targeting Regime in Brazil: Central Bank’s Responses to Demand and Supply Inflation,” work in progress.

Abstract: In spite of vast evidence that an inflation-targeting regime is in general successful in reducing the inflation rate, the early figures for Brazil do not corroborate this pattern. During the first five years of the regime, the inflation rate was 8.8% a year, missing the upper-band of the target rate in the last three years. This has led some observers to wonder whether the inflation targeting-regime was credible in Brazil. We argue that the Central Bank was responsive to both past and future inflation pressures. By decomposing the inflation rate into its demand, supply, and long-run components, we provide some preliminary evidence that the country was hit by several supply shocks during this period. The Central Bank of Brazil did indeed respond as theory would recommend. It fought demand shocks, accommodated the first order effects of a supply shock and repressed its secondary effects. The findings reported in this paper may help explain why the Central Bank’s policies remained credible during this period.