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## Arvind Krishnamurthy

Graduate School of Business

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### Academic Position

#### STANFORD UNIVERSITY

John S. Osterweis Professor of Finance, Stanford Graduate School of Business 2015-

Professor of Finance, Stanford Graduate School of Business 2014-2015

#### NORTHWESTERN UNIVERSITY

Harold Stuart Professor of Finance, Kellogg School of Management 2007 - 2014

Associate Professor of Finance, Kellogg School of Management 2005 - 2007

Assistant Professor of Finance, Kellogg School of Management 1998 - 2005

### Education

B.S., Economics; B.S.E., Electrical Engineering, University of Pennsylvania, 1986 - 1990

Ph.D., Financial Economics, Massachusetts Institute of Technology, 1994 - 1998

### Fellowships, Honors, Invited Talks

Research Associate, National Bureau of Economic Research (NBER),

Asset Pricing, Monetary Economics, International Finance and Macroeconomics,  
Economic Fluctuations and Growth Groups

Senior Fellow, Stanford Institute for Economic Policy Research (SIEPR)

Senior Fellow, Asian Bureau of Finance and Economic Research (ABFER)

R. Michael Shanahan Fellow 2020-2021, Stanford GSB

American Finance Association, Board Member, 2015-2018

Western Finance Association Prize, 2003

Smith-Breeden Prize, Journal of Finance, 2008

Rising Star in Finance Award, 2011

Swiss-Finance Institute Paper Prize, 2012, 2015

Utah Winter Finance Paper Prize, 2017

Stanford GSB PhD Distinguished Faculty Service Award, 2020

Keynote Address, Financial Market Liquidity Conference, London School of Economics 2011

Methods Lecture, Macro-Finance Society Meeting, Chicago 2013

Keynote Address, ECB Macroeprudential Conference, Frankfurt 2016

Keynote Address, Macro-Finance Society Meeting, Los Angeles 2019

Keynote Address, ECB-Banca d'Italia Exchange Rate Conference, Frankfurt 2019

Sandor Lecture, Kellogg School of Management, Northwestern University, Chicago 2020

### **Professional Activities**

Associate Editor, American Economic Review, 2012 -

Associate Editor, Journal of Finance, 2008 - 2012

Associate Editor, American Economic Journal - Macroeconomics, 2009 - 2012

Co-organizer, Macroeconomics and Financial Markets (MEFM) NBER Summer Institute session, 2014-

## Other Activities

Visitor, London School of Economics, Financial Markets Group, Fall 2005  
Visiting Scholar, International Monetary Fund, Research Department, Fall 2002  
Fixed Income Trader, RCM-Bermuda, 1993-1994  
Fixed Income Trader, AIG Financial Products, 1989-1993

## Teaching and Research Interests

Finance, Macroeconomics, International Economics

## Courses Taught

- MBA, “Money and Banking,” Coverage: What is the relationship between interest rates, banks and the economy? What is the role of the Fed? What happens in financial crises?
- Stanford PhD, “Macroeconomics and Financial Markets”, cotaught with Monika Piazzesi.
- Kellogg MBA, “Money Markets and the Fed”, 1998-2014
- Kellogg PhD Seminar, Spring 01 - Spring 05: Aggregate Implications of Financial Contracting, cotaught with Adriano Rampini.
- Kellogg PhD Seminar, Spring 07, Spring 08: Asset Pricing Models with Frictions.
- Kellogg PhD Seminar, Spring 09, Spring 10, Spring 11, Spring 12, Fall 13 : Corporate Finance Theory
- Kellogg Phd Seminar, Spring 13: Financial Intermediation and Crises

## Journal Publications

1. “International and Domestic Collateral Constraints in a Model of Emerging Market Crises,” *Journal of Monetary Economics*, 48(3), 513-548, Dec. 2001 (joint with R. Caballero of MIT).
2. “The Bond/Old-Bond Spread,” *Journal of Financial Economics*, 66(2), 463-506, 2002.

3. "A Dual Liquidity Model for Emerging Markets," *American Economic Review Papers and Proceedings*, 92(2), 33-37, 2002.(joint with R.Caballero)
4. "Excessive Dollar Debt: Financial Development and Underinsurance," *Journal of Finance*, 58(2), 867-893, 2003 (joint with R. Caballero of MIT).
5. "Collateral Constraints and the Amplification Mechanism," *Journal of Economic Theory*, 111(2), 277-292, 2003.
6. "Regulating Exclusion from Financial Markets", *Review of Economic Studies*, 71(4), 681-707, 2004 (joint with P. Bond).
7. "Smoothing Sudden Stops", *Journal of Economic Theory* 119(1), 104-127, 2004 (joint with R. Caballero of MIT).
8. "Exchange Rate Volatility and the Credit Channel in Emerging Markets: A Vertical Perspective", *International Journal of Central Banking*, 1(1), 207 - 245, 2005 (joint with R. Caballero of MIT).
9. "Equilibrium Asset Prices and Investment under Imperfect Corporate Control", *American Economic Review*, 95(3), 659 - 681, 2005 (joint with G. Gorton of U.Penn and J. Dow of LBS).

This paper won the *WFA's 2003 Best Corporate Finance paper prize*.

10. "Bubbles and Capital Flow Volatility: Causes and Risk Management," *Journal of Monetary Economics*, 53(1), 35-53, 2006 (joint with R. Caballero).
11. "Limits of Arbitrage: Theory and Evidence from the Mortgage Backed Securities Market," *Journal of Finance*, 62(2), 2007, 557-596, (joint with X. Gabaix of NYU and O. Vigneron).

Nominated for the Smith Breeden Prize for the best paper in the *Journal of Finance*.

12. "Collective Risk Management in a Flight to Quality Episode," *Journal of Finance*, 63(5), 2008 , 2195-2236, (joint with R. Caballero of MIT).

Winner of the Smith Breeden Prize for the best paper in the *Journal of Finance*.

13. "Global Imbalances and Financial Fragility," *American Economic Review Papers and Proceedings*, 99(2), 2009, 584-88. (joint with R.Caballero)

14. "How Debt Markets have Malfunctioned in the Crisis," *Journal of Economic Perspectives*, 24(1), 2010, 3 - 28.
15. "Amplification Mechanisms in Liquidity Crises," *American Economic Journal - Macroeconomics*, 2(3), 2010, 1 - 30. (Lead Article)
16. "Balance Sheet Adjustment in the 2008 Crisis," (joint with InGu Khang of Northwestern and Zhiguo He of Chicago Booth), *IMF Economic Review*, 58, 2010, 118 - 156.
17. "The Effects of Quantitative Easing on Interest Rates" (joint with Annette Vissing-Jorgensen of Northwestern), *Brookings Papers on Economic Activity*, Fall 2011
18. "A Model of Capital and Crises" (joint with Zhiguo He of Chicago Booth), *Review of Economic Studies* 79(2), 2012, 735-777.
19. "The Aggregate Demand for Treasury Debt" (joint with Annette Vissing-Jorgensen), *Journal of Political Economy*, 120(2), 2012, 233-267.
20. "Intermediary Asset Pricing" (joint with Zhiguo He of Chicago Booth), *American Economic Review*, 103(2), 2013.
21. "Sizing up Repo" (joint with Stefan Nagel of U. Michigan and Dmitry Orlov of Stanford University), *Journal of Finance*, 69(6), 2014, 2381-2417.
22. "Efficient Credit Policies in a Housing Debt Crisis" (joint with Janice Eberly of Northwestern), *Brookings Papers on Economic Activity*, Fall 2014, 73-136
23. "Short-term Debt and Financial Crises: What we can learn from U.S. Treasury Supply" (joint with Annette Vissing-Jorgensen), *Journal of Financial Economics*, 2015.

Winner of the *Swiss Finance Institute Outstanding Paper Award*

24. "What Makes US Government Bonds Safe Assets?" (with Zhiguo He and Konstantin Milbradt), *American Economic Review Papers and Proceedings*, 2016.
25. "Measuring Liquidity Mismatch in the Banking Sector" (joint with Jennie Bai of Georgetown and Charles-Henri Weymuller of Banque de France), *Journal of Finance*, 2017
26. "ECB Policies involving Government Bond Purchases: Impact and Channels" (joint with Stefan Nagel and Annette Vissing-Jorgensen), *Review of Finance* 22(1), 2017.

27. “Foreign Safe Asset Demand for US Treasuries and the Dollar” (joint with Zhengyang Jiang and Hanno Lustig), *American Economic Review Papers and Proceedings*, May 2018
28. “Intermediary Asset Pricing and the Financial Crisis” (with Zhiguo He), forthcoming, *Annual Review of Financial Economics*, November 2018.
29. “A Model of Safe Asset Determination” (joint with Zhiguo He and Konstantin Milbradt), *American Economic Review*, 109(4), April 2019, 1230-1262

Winner of the Utah Finance Conference Best Paper Prize

30. “A Macroeconomic Framework for Quantifying Systemic Risk” (joint with Zhiguo He of Chicago Booth), *American Economic Journal: Macroeconomics*, October 2019, 1- 37 (Lead Article)

Winner of the *Swiss Finance Institute Outstanding Paper Award*

31. “Mortgage Design in an Equilibrium Model of the Housing Market” (joint with Adam M. Guren and Timothy J. McQuade), *Journal of Finance*, 2020
32. “Foreign Safe Asset Demand for US Treasuries and the Dollar Exchange Rate” (joint with Zhengyang Jiang and Hanno Lustig), *Journal of Finance*, 2020
33. “Corporate Debt Overhang and Credit Policy” (with Markus Brunnermeier), *Brookings Papers on Economic Activity*, Fall 2020
34. “The Macroeconomics of Corporate Debt” (with Markus Brunnermeier), *Review of Corporate Financial Studies*, 2020

## Working Papers

1. “How Credit Cycles across a Financial Crisis” (joint with Tyler Muir) under revision, *Journal of Finance*
2. “Dollar Safety and the Global Financial Cycle” (joint with Zhengyang Jiang and Hanno Lustig)
3. “Dissecting Mechanisms of Financial Crises: Intermediation and Sentiment” (joint with Wenhao Li)
4. “Financial Meltdown: Data and Diagnoses”
5. “Financial System Risk and Flight to Quality” (joint with R. Caballero of MIT)

6. “International Liquidity Illusion: On the Risks of Sterilization” (joint with R. Caballero of MIT)

## Book Chapters

1. “Inflation Targeting and Sudden Stops”, in Ben S. Bernanke and Michael Woodford, eds., *The Inflation-Targeting Debate*, Chicago: University of Chicago Press, 2004 (joint with R Caballero of MIT).
2. “Risk Topography” (joint with Markus Brunnermeier of Princeton and Gary Gorton of Yale), *NBER Macro Annual 2011*
3. “Liquidity Mismatch Measurement” (joint with Markus Brunnermeier of Princeton and Gary Gorton of Yale), *NBER Volume on Systemic Risk and Macro Modeling*
4. “The Ins and Outs of LSAPs” (with Annette Vissing-Jorgensen), Federal Reserve Bank of Kansas City Symposium on Unconventional Monetary Policy, 2013.
5. “Passthrough Efficiency in the Fed’s New Monetary Policy Setting” (with Darrell Duffie), Federal Reserve Bank of Kansas City Symposium on Designing Resilient Monetary Policy Frameworks for the Future.
6. “Capital Flow Management with Multiple Instruments” (with Viral Acharya), XXI Annual Conference of the Central Bank of Chile, Monetary Policy and Financial Stability: Transmission Mechanisms and Policy Implications
7. “Mind the Gap in Sovereign Debt Markets: The U.S. Treasury Basis and the Dollar Risk Factor” (with Hanno Lustig), Federal Reserve Bank of Kansas City Symposium, 2019.

## PhD Students

Yaron Leitner (2001), Nisan Langberg (2004), David Lucca (2006), Ioan Olaru (2007), Josh Davis (2008), Zhiguo He (2008), David Dicks (2008), Ioan Mirciov (2010), Andrew Nowobilski (2012), Luis Bryce (2012), Tyler Muir (2013), Taejin Kim (2013), Vishal Mangla (2013), Andrea Lu (2014), Zhuo Chen (2014), Egemen Eren (2016), Chaojun Wang (2017), Yiming Ma (2018), Wenhao Li (2019), Jiacui Li (2019), Jonathan Wallen (2020)

## Outside Activities

Compensated: Consultant to Federal Reserve Board, Federal Reserve Bank of New York, Federal Reserve Bank of Chicago, Federal Reserve Bank of San Francisco, European Central Bank, Reserve Bank of India, and National Bank of Belgium.

Non-compensated: Speaker at U.S. Dept of Treasury, Moodys-KMV

Commissioned and Compensated Research: Global Markets Institute at Goldman Sachs, Brookings Institution, Riksbank, Central Bank of Chile

Other: Research Grant from Sloan Foundation. American Finance Association Board, Associate Editor at American Economic Review. Past Associate Editor at Journal of Finance and American Economic Journals Macroeconomics.