RENBIN ZHANG

https://renbinzhang.weebly.com/
zhang.renbin.ken@gmail.com

Universitat Autonoma de Barcelona

Placement Director: Inés Macho	ines.macho@uab.cat	+34-93-581-1812
Placement Secretary: Mercè Vicente	merce.vicente@uab.cat	+34-93-581-1359

Office Contact Information

Universitat Autonoma de Barcelona
Departament d´Economia i d´Història Econòmica, Edifici B
Bellaterra 08193, Spain
Mobile Phone: +34 60 362 1270

Personal Information:

Citizenship: Chinese
Date of Birth: 24 September 1991

Education:

Master of Research in Economics, **Universitat Autonoma de Barcelona,** Spain, 2014-2016
Bachelor in Economics, **Shandong University,** China, 2010-2014

Graduate Studies:

Universitat Autonoma de Barcelona and Barcelona GSE, Spain
PhD candidate in Economics, 2014-present
Expected Completion: July 2020
University College London, UK
Visiting Student, September-November, 2019

References:

Professor Albert Marcet (advisor)
University College London
Email: a.marcet@ucl.ac.uk

Professor Klaus Adam
University of Oxford
Email: klaus.adam@economics.ox.ac.uk

Professor Pei Kuang
University of Birmingham
Email: P.Kuang@bham.ac.uk

Research Fields:

Macroeconomics, Financial Economics, Macro Policy

Teaching Experiences:

Graduate Course — Optimal Policy and Expectations, UAB, TA for Prof. Albert Marcet

Professional Activities:

CREI Macro Breakfast Seminar (March 2017)
ENTER Jamboree London (2017)

Barcelona GSE Phd Jamboree (2017, 2018, 2019)
Macro Club at Universitat Autonoma de Barcelona (2017, 2018, 2018, 2019)
ENTER Seminar at Stockholm School of Economics (2017)
Bilbao Adaptive Learning Workshop (2018)
ENTER Jamboree Toulouse (2018)
China Econometric Society Meeting (2019)
CCER Summer Institute (2019)
UCL Internal Group (2019)
Bellaterra Macro Seminar (2019)

Honors, Scholarships, and Fellowships:

2015 – 2018	Research Assistant Fellowship from MOVE for the project "ERC Advanced Grant - Asset Prices and Macro Policy when Agents Learn"
2018 – present	Research Assistant Fellowship from MOVE for the project "ERC Advanced Grant - Asset Prices and Macro Policy when Agents Learn and are Heterogeneous"

Languages and Programming Skills:

Languages	Chinese (Native), English
Programming	Matlab, Stata

Research Papers:

"The AH Premium: A Natural Experiment", with Tongbin Zhang (SUFE).

Abstract A large portion of the Chinese stock market is traded both in the Shanghai (A-share) and Hong-Kong (H-share) markets. The A- and H- shares are different assets since they can not be exchanged one-to-one. A-shares have sold at a premium: the AH premium. This premium is large (30-50%) and persistent, it has been present since the two markets were connected in Nov 2014 until now. Since both shares pay the same dividend and traders can operate on both markets this provides a natural experiment to test asset pricing models. We show that various standard Bayesian/RE asset pricing models cannot explain the AH premium, but a model of internally rational learning where agents learn about stock prices provides a natural explanation. This emphasizes the importance of modelling investors who learn about equity prices. The premium survives the introduction of convergence traders: those who bet on the AH-premium going to zero are highly likely to suffer big losses.

‣*Presented at 2017 Macro winter workshop in Bellaterra, 2017 Barcelona GSE Jamboree, 8th Shanghai Macroeconomics Workshop, 2017 MIFN workshop, 14th China Finance Annual Meeting, 2018 CES North American Meeting, Bilbao Adaptive Learning Workshop, 2018 conference in Expectations in Dynamic Macroeconomic Models and seminars at UPF, UAB, Stockholm, SUFE Finance, Shanghai Jiaotong University, CUHK(Shenzhen), Peking University, CUFE CEMA, East China Normal University, Fudan University, PBC Tsinghua and UCL Macro reading group.*

"New Tests of Expectation Formation with Applications to Asset Pricing Models", with Pei Kuang (Birmingham) and Tongbin Zhang (SUFE).

Abstract The paper develops new tests of expectation formation which are generally applicable in financial and macroeconomic models. Survey data suggests forecasts of stock prices are not anchored by forecasts of fundamentals and rejects this aspect of the formation of stock price expectations in a wide range of asset pricing models. The evidence casts some doubt on the modeling of expectation formation in the asset pricing models which assume agents possess the knowledge of the equilibrium pricing function as in Rational Expectations and Bayesian Rational Expectations models. Relaxing this knowledge appears necessary for models to reconcile the survey evidence and potential resolutions are discussed.

‣*Presented at 2019 Barcelona GSE Jamboree, SED conference (St. Louis), 2019 CCER Summer Institute workshop, 2019 Macroeconomics workshop in Shandong University, Behavioral Macroeconomics Workshop (Bamberg), Econometric Society China Meeting (Guangzhou), North American Summer Meeting (Seattle), 10th Shanghai Macroeconomics Workshop, SNDE conference (Dallas Fed), FMA Asian/Pacific conference (Ho Chi Minh City), International Symposium on Econometric Theory and Applications (Osaka University) and seminars at UAB, SUFE, HKUST and Peking University.*

"The New Classical Optimal Monetary Policy Revisited"

Abstract We show that there are issues with the long-standing insight that the optimal flexible nominal price (inflation) completes the market. The nominal price that is desired to implement the complete market social planner allocations turns out to be negative for some states of the economy. We formulate the recursive contract approach by imposing a positive price constraint and find that the

near-random walk behavior of the public debt and the tax rate featuring incomplete market emerge, and the Friedman rule still holds. The specific incomplete market may converge to the complete market supported by time-varying inflation eventually by accumulating either a large amount of the public debt or public asset. The government should also issue inflation-indexed government bonds, and proper management of the nominal and inflation-indexed debt is able to decentralize the complete market social planner allocations.
‣*Presented at 2018 Barcelona GSE Jamboree, Bellaterra macro club, UAB and ENTER Jamboree (Toulouse).*

"Inflation Stablization Policy with Heterogeneous Beliefs ", with Donghai Zhang (Bonn).
Abstract Many Central banks have adopted an inflation targeting policy. While some target the headline inflation, others choose to stabilize the core inflation. The dominating view in the academic literature supports the core inflation targeting as inflation of the flexible price sector is perceived to be costless in terms of welfare. We challenge this conventional wisdom by introducing information frictions and heterogeneous beliefs into an otherwise standard multi-sector New Keynesian model. In our framework, firms have imperfect and heterogeneous assessments about the state of the economy. Therefore, price resetting firms adjust to different prices. As a result, the inflation in a sector is distortionary even if the underlining sector features a flexible price. Our finding suggests that the central bank should not solely stabilize the core inflation.
‣*Presented at Bellaterra macro club, UAB Taller d'economia and Bonn.*

"The Paradox of Price Flexibility", with Shengliang Ou (SUFE) and Donghai Zhang (Bonn).
Abstract The introduction of digital price tags may facilitate price adjustments and reduce the degree of nominal rigidity in the economy. Is this welfare improving? We address this question in a New Keynesian model, emphasizing the role of information frictions and dispersed beliefs. In such a model, in contrast to a model with perfect information, price dispersion within reoptimizing firms arises. The welfare losses associated with the latter are amplified with a more flexible price. In a static model, we derive analytically that consumers' welfare losses are increasing in price flexibility — the paradox of price flexibility. The results carry over to a dynamic quantitative model.
‣*Presented at Bellaterra macro club, SUFE, Economic Fluctuation and Growth workshop in Xiamen University and Shandong University.*

Research Papers in Progress:

"Testing Expectation Formation in Stochastic Growth Models", with Pei Kuang (Birmingham), and Tongbin Zhang (SUFE)

"Forward Guidance, Imperfect Financial Markets and Learning'', with Wei Cui (UCL) and Albert Marcet (UCL)