

# PAUL WOHLFARTH

SolBridge International School of Business ◊ Woosong University, Daejeon, South Korea

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## WORK EXPERIENCE

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**SolBridge Int. School of Business**

Sep 2020 -

*Assistant Professor*

Combined research and teaching position incl. student supervision (all levels).

**Brighton Business School, University of Brighton**

March 2020 - Aug 2020

*Lecturer of Economics*

Combined research and teaching position incl. student supervision (all levels).

**Dept. of EMS, Birkbeck, University of London**

Dec 2019 - June 2020

*IT Support Officer*

Assisting with preparation of content for online degree programme.

**Dept. of EMS, Birkbeck, University of London**

Dec 2019 -

*Graduate Teaching Assistant*

Delivery of classes and lectures in statistics, econometrics and macroeconomics (UG and PG level).

**Capital Market Daily Ltd. (CMD), London, UK**

Feb 2014 - Mar 2015

*Fixed Income Analyst*

Responsible for daily coverage of market activity on fixed income markets from a micro and macroeconomic perspective. Involved producing regular research reports, offering ad-hoc research to clients, money market fund analysis as well as political analysis with a specific emphasis on monetary policy.

**L-Bank, Karlsruhe, Germany**

Jul - Dec 2011

*Internship Payments and Settlements*

## EDUCATION

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**Birkbeck, University of London, UK, PhD in Finance and Economics** Jan 2016 - May 2020

Thesis Title: International Channels of Monetary Policy Transmission

Supervisors: Professor Ron Smith and Professor Yunus Aksoy

**University of Warwick, UK, MSc in Economics**

Sept 2012 - Sept 2013

Thesis Title: Central Bank Communication on Sovereign Bond Markets

**University of Goettingen, Germany, BA in Economics**

Oct 2007 - Sept 2012

ERASMUS Transfer year at University of Nottingham (2009/10)

## RESEARCH

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**Research Interests:** Macro-Finance, Monetary Economics, Applied Econometrics, Financial Frictions, Chinese Financial Development

**Job Market Paper:** Preferred Habitat, Policy, and the CIP Puzzle

### Journal Publications

Wohlfarth (2018), Measuring the Impact of Monetary Policy Attention on Global Asset Volatility Using Search Data, *Economics Letters*, Volume 173 (December 2018)

### Working Papers

Chen and Wohlfarth (2019), Drivers of Bank Loan Growth in China: Government or Market?

Wohlfarth and Chen (2018), The Effect of Monetary Policy on Global Fixed Income Covariances, *BW-PEF* 1801

Wohlfarth (2012), Replication in the Narrow Sense of Banzhaf/ Walsh 2008, *ZfS Working Paper* 2/12

## FURTHER RESEARCH PROJECTS

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**Technology and Management Centre for Development, Oxford University** Jul - Sep 2019

*Research Assistant – Econometric Modelling and Analysis*

Project: "The Valuation of Early Stage Technology (VEST)", led by Prof. Xiaolan Fu

**Centre for Statistics, University of Goettingen, Germany**

Jan - Aug 2011

*Research Assistant – Data Collection*

Project: "Replication in Empirical Economics", led by Prof. Thomas Kneib

## TEACHING

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### Current Position

Lecturer of Economics, Brighton Business School

Tutor, SPE Courses

### Brighton Business School, University of Brighton

Understanding Finance Theory and Practise, classes, UG, 2020

Applied Financial Techniques 2, lectures, UG, 2020

Economics of Financial Markets, lectures, PG, 2020

Applied Econometrics and Financial Time Series Analysis, lectures, PG, 2020

Managing in an Uncertain Environment, lectures, MBA, 2020

### Birkbeck, University of London

Topics in Mathematical Finance and Econometrics, lectures, MSc/ GDE, 2017

Applied Statistics and Econometrics, lectures, BSc/ GDE, 2017

Applied Statistics and Econometrics, classes, BSc/ GDE, 2017-2019

Macroeconomics, classes, BSc/ GDE, 2017-2019

### London Business School

Teaching assistant, Module: European Financial Markets, MBA, 2019

Grading assistant, Modules: World Economy, The Global Macroeconomy, MBA, 2019

### Society of Professional Economists

Introduction to Python, workshop, 2020

## CONFERENCES, SEMINARS, AND WORKSHOPS

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Seminar Presentation, University of Nottingham in China, Ningbo, China, 2019  
13th International Conference on Computational and Financial Econometrics (CFE), London, 2019  
Annual Money Macro and Finance (MMF) Conference, London, 2019  
Annual Conference on Computing in Economics and Finance (CEF), Ottawa, 2019  
Annual Conference on Econometric Modelling and Data Science (EcoMod), Ponta Delgada, 2019  
Money Macro and Finance PhD Conference (MMF), London, 2019  
Annual Conference on Computing in Economics and Finance (CEF), Milan, 2018  
Annual Conference on Econometric Modelling and Data Science (EcoMOD), Venice, 2018  
Birkbeck Centre for Applied Macroeconomics Annual Workshop (BCAM), London, 2018  
PhD Jamboree, Birkbeck, London, 2018  
Topics in Applied Macroeconomics, Seminar, Birkbeck, 2017  
PhD Econometrics, Seminar, City, University of London, London, 2017  
NCRM Workshop: Big Data in Social Sciences, London School of Economics (LSE), London, 2017  
Seminar: Portfolio Choice Theory, London Mathematical Finance Group (LSE), London, 2016  
Seminar: Stochastic Calculus, London Mathematical Finance Group (Kings College), London, 2016  
Seminar: Levy Processes, London Mathematical Finance Group (Cass Business School), London, 2016  
Workshop on European Monetary Policy, Bundesbank (German National Central Bank), Eltville, 2013

## GRANTS, AWARDS, AND SCHOLARSHIPS

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Birkbeck Graduate Teaching Assistantship, 2016-2019  
Royal Economic Society, Conference Grant, 2019  
Birkbeck Conference Grant, 2019  
Birkbeck Conference Grant, 2018  
Scholarship: Graduate Certificate in Teaching and Supporting Learning in Higher Education, 2017  
Winner: Competition on Research Oriented Learning and Teaching, "Replication in Economics", 2012  
ERASMUS Scholarship (European Commission), 2009/10

## FELLOWSHIPS, PROFESSIONAL MEMBERSHIPS, AND AFFILIATIONS

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Associate Fellow of the Higher Education Academy  
Econometric Society  
Royal Economic Society  
European Economic Association  
EcoMOD Network  
Society for Computational Economics  
Money Macro and Finance Society  
Birkbeck Centre of Applied Macroeconomics (BCAM)

## REFeree, ACADEMIC, AND EXTRACURRICULAR SERVICES

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The Manchester School (Referee, 2020)  
PhD Representative (Economics), 2017-2019  
Organised Birkbeck Doctoral Seminar (PhD Jamboree), 2017-2019  
Volunteer Paramedic with German Maltese Cross, 2006-2012

## OTHER

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<b>Software</b>	Matlab (incl. Dynare), Python, Latex, Stata, Eviews, R, MS Office
<b>Languages</b>	German (native), English (fluent), French (basic)

## REFERENCES

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Professor Ron Smith  
Dept. of Economics, Mathematics and Statistics,  
Birkbeck, University of London,  
Malet Street, London WC1E 7HX.  
Tel +44 (0) 20 7631 6413  
Email: r.smith@bbk.ac.uk.

Professor Yunus Aksoy  
Dept. of Economics, Mathematics and Statistics,  
Birkbeck, University of London,  
Malet Street, London WC1E 7HX.  
Tel +44 (0) 20 7631 6407  
Email: y.aksoy@bbk.ac.uk.

Professor Stephen Wright  
Dept. of Economics, Mathematics and Statistics,  
Birkbeck, University of London,  
Malet Street, London WC1E 7HX.  
Tel +44 (0) 20 7631 6448  
Email: s.wright@bbk.ac.uk.

## ABSTRACTS

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### Finished Papers

#### **Wohlfarth (2019), Preferred Habitat, Policy, and the CIP Puzzle, BCAM 1908**

*Job Market Paper*

A crucial no-arbitrage condition on foreign exchange markets, covered interest parity (CIP), held almost exactly before the Global Financial Crisis (GFC) and failed since then. CIP deviations have been particularly puzzling in relatively calm markets after 2014. This paper explains deviations from CIP, measured by the cross-currency basis from swaps (CCBS), in terms of significant policy and volatility effects in a preferred habitat model of the Eurodollar swap market. Estimation is done using EGARCH in mean for a set of CCBS maturities. The term structure of the CCBS is further analysed in a Vector Error Correction Model (VECM).

#### **Wohlfarth (2018), Measuring the Impact of Monetary Policy Attention on Global Asset Volatility Using Search Data, Economics Letters, Volume 173 (December 2018)**

We study monetary policy introducing a novel index for policy attention based on daily Google Trends data. This index is used in a high-frequency analysis of volatility spill-overs on US and European fixed income markets. Policy attention contains significant information on asset variances and the international transmission of policy.

#### **Chen and Wohlfarth (2019), Drivers of Bank Loan Growth in China: Government or Market?**

This paper investigates China's banking system in a post-crisis environment, 2008-2018, focusing on determinants of bank lending. We use a panel of 14 Chinese listed banks, for which there is data over this period. We group these 14 banks into various bank-clusters, classified by ownership and systemic importance. Possible determinants of loan growth are divided into two sets of variables: bureaucratic variables and economic variables. We find that for individual banks and bank groups bureaucratic variables are very significant and the economic variables have comparatively little influence, which is consistent with the state retraining quite a lot of control. However, pooling of the data gives evidence for the influence of economic variables. The size of the coefficients is similar to the average of the individual banks but they are now significant, reflecting the larger sample size. Thus the pooled estimates are more supportive of the role of bank-specific market forces in determining loan growth.

## **Wohlfarth and Chen (2018), The Effect of Monetary Policy on Global Fixed Income Covariances, BWPEF 1801**

We analyse the effect of monetary policy on dynamic covariances on global fixed income markets, using a novel measure for monetary policy attention based on Google Search data. We filter covariances using a Dynamic Conditional Correlation model as baseline case and a BEKK model as well as a long-memory exponential smoother proposed by RiskMetrics for robustness. We find evidence for direct impact of policy on both asset variances and covariances domestically and internationally, supporting both signalling and portfolio rebalancing channels in the context of international policy transmission.

## **Wohlfarth (2012), Replication in the Narrow Sense of Banzhaf/ Walsh 2008, ZfS Working Paper 2/12**

This is a partially successful replication of an empirical test on the Tiebout Hypothesis by Spencer Banzhaf and Randall Walsh (2008). Although findings could not be fully replicated, Banzhaf and Walshs conclusion is not called into question. They confirmed misspecification of matching algorithms in the original article.

## **Work in Progress**

### **Comparing Chinese and US Credit Markets, with Xiaohong Chen.**

Chinese credit growth was driven by a combination of state and market factors. However, it is not clear to which degree credit markets are following market dynamics in developed market economies: US credit markets have been subject to monetary and fiscal policy interventions, which implies the absence of a clear benchmark for market driven credit development. Against this background, we do a comparative empirical analysis of credit market determinants in China and the US.

### **A Markov-Switching VAR Approach to Chinese Money Demand, with Xiaohong Chen and Rubens Morita.**

Empirically, the effect of Chinese financial market reforms implies the presence of structural breaks. The identification of such breaks is not trivial. The purpose of this paper is to explore a novel approach that establishes causality in the context of Markov regime switches.

### **Covariances of Chinese Credit with Global Factors – Does China Follow the Global Financial Cycle? with Xiaohong Chen.**

We investigate the development of Chinese credit markets in the context of global factors. Recent empirical evidence suggests the presence of global financial cycles that co-vary with proxies for global market risk. Whilst Chinese financial development is distinct, there are important and deepening linkages that suggest an impact of global factors on its domestic credit markets. We explore this relationship with an analysis of multivariate conditional volatility.