

Christopher J. Neely

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Business Address

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Areas of Interest

Teaching: International Finance, Macroeconomics, Derivatives, and Applied Econometrics.

Research: International Finance, Applied Econometrics, Derivatives, and Asset Pricing.

Dissertation

Title: Risk, Exchange Rates and Asset Pricing

Dissertation Advisor: Charles H. Whiteman

Awarded: December 1993

Education

<u>Degree</u>	<u>Field</u>	<u>Institution</u>	<u>Degree Awarded</u>
Ph.D.	Economics	University of Iowa Iowa City, IA	December 1993
BSFS	International Economics	School of Foreign Service Georgetown University Washington, DC	May 1988

Honors and Awards

Dean's List, Second and First Honors Awards, Georgetown University, 1984-88.

Elected member of Phi Beta Kappa Honor Society, Georgetown University, 1988.

Graduated Magna Cum Laude, Georgetown University, 1988.

Iowa Fellow, University of Iowa, Award for outstanding graduate student, 1988-92.

Ponder Fellow, Award for outstanding graduate student, University of Iowa, 1989-90.

Midwest Finance Association Best Investments Paper Award, Spring 1997.

Midwest Finance Association Best International Finance Paper Award, Spring 2009.

Teaching Experience

St. Louis University, John Cook School of Business (Autumn 2002)

I taught “Derivative Securities” (638) to Masters of Finance and MBA students.

The University of Missouri — St. Louis (Summer 2001 through Summer 2003)

I taught “International Monetary Analysis” (431) in the Masters of Economics program.

Washington University in Saint Louis, Olin School of Business (Spring 1999)

I taught “Special Topics: Money and Capital Markets” (MEC B54 400E) to undergraduate students in the Olin School of Business.

Washington University in Saint Louis, Graduate College (Spring 1995 to 1998)

I taught “Cases in International Trade, Finance & Economic Policy” (UIA85-552) and “International Trade, Investment and Finance” (UIA85-452) and “Core Seminar in International Affairs” to Master's level students in the Business Administration and the International Affairs Programs.

The University of Hawaii (Summer 1997)

I team taught “International Business Finance” (FIN 321) and “International Financial Management” (FIN 637) with Michael Melvin, to undergraduate and MBA students through the Department of Financial Economics.

The University of Iowa College of Business (1988 to 1993)

I taught Intermediate Macroeconomics (Fall 1992, Summer 1993).

I was the teaching Assistant for the Ph.D. Macroeconomics Core Sequence (1989-90).

The Princeton Review Corporation (1987-88):

Assistant Site Director/Mathematics Instructor SAT, LSAT, GRE, and GMAT review courses.

Research Experience

The Federal Reserve Bank of St. Louis:

2007-Present — Assistant Vice President

2002-2006 — Research Officer

1998-2001 — Senior Economist

1993-1997 — Economist

The Board of Governors of the Federal Reserve:

Spring 1993 — Research Intern

The University of Iowa:

1992-93 — Research Assistant to B. Ingram and C. H. Whiteman on “Supplanting the ‘Minnesota’ Prior: Forecasting Macroeconomic Time Series Using Real Business Cycle Model Priors,” *Journal of Monetary Economics*, (December 1994), 34(3), 497-510.

1990-91 — Research Assistant to R. Forsythe, F. Nelson, and G. Neumann on “The Iowa Political Stock Market”

National Soft Drink Association:

1987 — Assistant to the Industry Analyst, Economics and Finance Division

Journal Publications

- International Comovements in Inflation Rates and Country Characteristics, WP 2008-025D, with David E. Rapach, *Journal of International Money and Finance* (November 2011), 30(7), 1471-1490.
- Jumps, Cojumps and Macro Announcements, WP 2007-032D, with Jérôme Lahaye and Sébastien Laurent, *Journal of Applied Econometrics* (September 2011), 26(6), 893-921.
- The Adaptive Markets Hypothesis: Evidence from the Foreign Exchange Market, with Paul A. Weller and Joshua M. Ulrich, WP 2006-046B, *Journal of Financial and Quantitative Analysis* (April 2009), 44(2), 467-488.
- Forecasting Foreign Exchange Volatility: Is Implied Volatility the Best We Can Do?, WP 2002-017D, *Journal of International Financial Markets, Institutions and Money* (February 2009), 19(1), 188-205.
- Foreign Exchange Volatility is Priced in Equities, with Hui Guo and Jason Higbee, WP 2004-029C, *Financial Management* (Winter 2008), 769-790.
- Information Shares in the U.S. Treasury Market, with Bruce Mizraeh, WP 2005-070E, *Journal of Banking and Finance* (July 2008), 32(7), 1221-1233.
- Investigating the Intertemporal Risk-Return Relation in International Stock Markets with the Component GARCH Model, with Hui Guo, WP 2006-006A, *Economics Letters* (May 2008), 99(2), 371-374.
- Central Bank Authorities' Beliefs about Foreign Exchange Intervention, WP 2006-045C, *Journal of International Money and Finance* (February 2008), 27(1), 1-25.
- Central Bank Intervention with Limited Arbitrage, with Paul A. Weller, WP 2006-033B, *International Journal of Finance and Economics* (April 2007), 12(2), 249-260.
- Central Bank Intervention and Exchange Rate Volatility, Its Continuous and Jump Components, with Michel Beine, Jérôme Lahaye, Sébastien Laurent, and Franz C. Palm, WP 2006-031B, *International Journal of Finance and Economics* (April 2007), 12(2), 201-224.
- Can Markov switching models predict excess foreign exchange returns?, with Michael Dueker, *Journal of Banking and Finance* (February 2007), 31(2), 279-296.
- Year-end Seasonality in One-Month LIBOR Derivatives, with Drew B. Winters, WP 2003-040A, *Journal of Derivatives* (Spring 2006), 13(3), 47-65.
- Endogenous Realignments in a Target Zone, with Paul Weller and Dean Corbae, WP 94-009C. *Oxford Economic Papers* (July 2003), 55(3), 494-510.
- Intraday Technical Trading in the Foreign Exchange Market, with Paul Weller, WP 99-016B. *Journal of International Money and Finance* (April 2003), 22(2), 223-237.
- Risk-Adjusted, Ex Ante, Optimal, Technical Trading Rules in Equity Markets, WP 99-015C. *International Review of Economics and Finance* (February 2003), 12(1), 69-87.

The Temporal Pattern of Trading Rule Returns and Central Bank Intervention: Intervention Does Not Generate Technical Trading Rule Profits, WP 00-18C. *Journal of International Economics* (October 2002), 58(1), 211–232.

Technical Analysis and Central Bank Intervention, with Paul Weller, WP 97-002C. *Journal of International Money and Finance* (December 2001), 20(7), 949–970.

Risk Aversion Versus Intertemporal Substitution: A Case Study of Identification Failure in the Intertemporal Consumption Capital Asset Pricing Model, with Amlan Roy and Charles Whiteman, WP 95-002B. *Journal of Business and Economic Statistics* (October 2001), 19(4), 395-403.

Predictability in International Asset Returns: A Reexamination, with Paul Weller, WP 97-010D. *The Journal of Financial and Quantitative Analysis* (December 2000), 35(4), 601-620.

The Practice of Central Bank Intervention: Looking Under the Hood, WP 00-028A. *Central Banking* (November 2000), XI(2), 24-37.

- Reprinted in *Ausüße aus Presseartikeln* of the Deutsche Bundesbank, Nr. 55 15, November 2000.

Technical Trading Rules in the European Monetary System, WP 97-015C, with Paul Weller. *The Journal of International Money and Finance* (June 1999), 18(3), 429-58.

Target Zones and Conditional Volatility: The Role of Realignments, WP 94-008, *The Journal of Empirical Finance* (April 1999), 6(2), 177-92.

Is Technical Analysis in the Foreign Exchange Market Profitable? A Genetic Programming Approach WP 96-006C, with Paul Weller and Robert Dittmar. *The Journal of Financial and Quantitative Analysis* (December 1997), 32(4), 405-26

- This paper won the 1997 “Best Investments Paper” award from the Midwest Finance Association.

A Benefit-Cost Analysis of Disinflation, with Christopher Waller. *Contemporary Economic Policy* (January 1997), 15(1), 50-64.

Book Chapters and other Publications

Technical Analysis in the Foreign Exchange Market, WP 2011-001A, with Paul A. Weller, January 2011, forthcoming in Wiley’s Handbook of Exchange Rates.

The Microstructure of the U.S. Treasury Market, WP 2007-052B, with Bruce Mizrach, April 2008, The Encyclopedia of Complexity and System Science, New York: Springer-Verlag, 2009, 9565-77.

Predicting Exchange Rate Volatility: Genetic Program vs. GARCH, in Genetic Programming in Computational Finance, 2002, by Kluwer Publishing.

Book Reviews

Review of The Crisis of Global Capitalism, by George Soros, Published in *The Journal of Finance* (October 1999), 1923-1927.

Working Papers

Capital Flows and Japanese Asset Volatility, with Brett W. Fawley. Working Paper 2011-034A, Posted October 2011

Lessons from the Evolution of Foreign Exchange Trading Strategies, with Paul A. Weller, Working Paper 2011-021A, Posted September 2011

The Large-Scale Asset Purchases Had Large International Effects, WP 2010-018C, Revised January 2011

Out-of-Sample Equity Premium Prediction: Economic Fundamentals vs. Moving-Average Rules, WP 2010-008C, with David E. Rapach, Jun Tu, and Guofu Zhou, Revised October 2011

Common Fluctuations in OECD Budget Balances, WP 2009-055A, with David E. Rapach, October 2009.

The Dynamic Interaction of Order Flows and the CAD/USD Exchange Rate, WP 2008-006B, with Nikola Gradojevic, August 2009.

- o This paper won the 2009 “Best International Finance” award from the Midwest Finance Association.

Identifying the Effects of U.S. Intervention on the Levels of Exchange Rates, WP 2005-031B, revised August 2005.

The Case for Foreign Exchange Intervention: The Government as an Active Reserve Manager, WP 2004-031B, revised July 2005.

Implied Volatility from Options on Gold Futures: Do Statistical Forecasts Add Value or Simply Paint the Lilly? WP 2003-018C.

It’s Far Worse than You Think: Testing Asset Pricing Models with Euler Equations, WP 94-010B.

Work In Progress

Does Learning Explain the Bias in Implied Volatility?

The Effect of Large-Scale Asset Purchases on International Inflation Expectations

Identification Failure in a Structural VAR with Intervention: Alternative Identification and Estimation

Federal Reserve Bank of St. Louis *Review* Articles

A Foreign Exchange Intervention in an Era of Restraint, September/October 2011, *Review*.

A Survey of Announcement Effects on Foreign Exchange Volatility and Jumps, September/October 2011, *Review*.

A Survey of Announcement Effects on Foreign Exchange Returns, with S. Rubun Dey, September/October 2010, *Review*.

Systemic Risk and the Financial Crisis: A Primer, with James B. Bullard and David C. Wheelock, September/October 2009, *Review*.

Real Interest Rate Persistence: Evidence and Implications, with David E. Rapach, November/December 2008, *Review*.

What Are The Odds? Option-Based Forecasts of FOMC Target Changes, with William R. Emmons and Aeimit K. Lakdawala, November/December 2006, *Review*.

The Transition to Electronic Communications Networks in the Secondary Treasury Market, with Bruce Mizrach, November/December 2006, *Review*.

- Reprinted in IT @ Financial Services, published by the ICFAI (Institute of Chartered Financial Analysts of India).

An Analysis of Recent Studies of the Effect of Foreign Exchange Intervention, November/December 2005, *Review*.

Using Implied Volatility to Measure Uncertainty About Interest Rates, May/June 2005, *Review*.

The Federal Reserve Responds to Crises: September 11th Was Not the First, March/April 2004, *Review*.

Forecasting Exchange Rates: What Have We Learned in 20 Years?, with Lucio Sarno. September/October 2002, *Review*.

Predicting Exchange Rate Volatility: Genetic Programming Vs. GARCH and RiskMetrics™, with Paul Weller, May/June 2002, *Review*.

The Practice of Central Bank Intervention: Looking Under the Hood, May/June 2001, *Review*.

- Reprinted from *Central Banking*.

Are Changes in Foreign Exchange Reserves Well Correlated with Central Bank Intervention? September/October 2000, *Review*.

- Reprinted in Foreign Exchange Reserve Management, published by the ICFAI (Institute of Chartered Financial Analysts of India).

An Introduction to Capital Controls, October/November 1999, *Review*.

Technical Analysis and the Profitability of U.S. Foreign Exchange Intervention, July/August 1998, *Review*.

- Reprinted in *The Market Technician*, The Journal of the Society of Technical Analysts, July 1999, No. 35.

Technical Analysis in the Foreign Exchange Market: A Layman's Guide, September/October 1997, *Review*.

- Reprinted in *The Market Technician*, The Journal of the Society of Technical Analysts, March 1998, No. 31. The article was also reprinted in Financial Forecasting, edited by Roy Batchelor and Pami Dua. The volume is part of the International Library of Critical Writings in Financial Economics, edited by Richard Roll.

The Giant Sucking Sound: Did NAFTA Swallow the Peso?, July/August 1996, *Review*.

Deflation and Real Economic Activity Under the Gold Standard, with Geoffrey Wood, September/October 1995, *Review*.

Forecasting EMS Realignments: What Do We Know?, September/October 1994, *Review*.

- Reprinted in a two volume collection: International Securities, edited by George Philippatos and Gregroy Koutmos. The collection is part of the International Library of Critical Writings in Financial Economics, edited by Richard Roll.

Federal Reserve Bank of St. Louis *Regional Economist* Articles

Why Do Gasoline Prices React to Things That Have Not Happened?, with William Emmons, July 2007.

Growth in China and India Spurs Price Increases, with Justin Hauke, April 2007.

Miscommunication Shook Up Mortgage, Bond Markets, April 2004.

The Federal Reserve's Response to the September 11 Attacks, January 2002.

Other Federal Reserve Bank of St. Louis Publications

The Great Foreign Exchange Intervention of 2011, *Annual International Economic Trends*, July 2011.

Fiscal Policy and Expected Inflation, *Monetary Trends*, March 2011.

The Difference Between Currency Manipulation and Monetary Policy, *International Economic Trends*, February 2011.

U.S. Historical Experience with Deflation, *National Economic Trends*, October 2010.

The Effects of Large-Scale Asset Purchases on TIPS Inflation Expectations, with Massimo Guidolin, *National Economic Trends*, September 2010.

'How Central Should the Central Bank Be?' A Comment, *Economic Synopses*, April 2010.

Okun's Law: Output and Unemployment, *International Economic Trends*, February 2010.

Markets Worry More about Sovereign Debt, *International Economic Trends*, February 2009.

The Sovereign Wealth Funds of Nations, *International Economic Trends*, May 2008.

One Dollar = One Loonie, *International Economic Trends*, November 2007.

China's Strategic Petroleum Reserve: A Drop in the Bucket, *National Economic Trends*, January 2007.

The Puzzling Convergence in Foreign Exchange Volatility, *Annual International Economic Trends*, July 2006.

Comparing Short- and Long-Term Interest Rates, *IET Supplement: Cross-Country Comparison*, May 2005.

Unwinding the Current Account Deficit, *International Economic Trends*, May 2005.

Welcome, IET Supplement, *IET Supplement: Cross-Country Comparison*, February 2005.

Will Oil Prices Choke Growth?, *International Economic Trends*, July 2004.

Global Factors in Budget Deficits, *International Economic Trends*, November 2003.

Bond Market Mania, *Monetary Trends*, October 2003.

Options on Economic Data, *International Economic Trends*, November 2002.

How expensive are stocks?, *Monetary Trends*, June 2002.

September 11, 2001, *Monetary Trends*, November 2001.

International Interest Rate Linkages, *International Economic Trends*, August 2001.

What is the slope of the yield curve telling us?, *Monetary Trends*, August 2000.

Stock Prices and Consumption, *Monetary Trends*, July 2000

An E.U. Withholding Tax?, *International Economic Trends*, November 1999.

How big is Japan's debt?, *International Economic Trends*, February 1999.

Japanese Savers Yield to Low Returns on 10-Year Bonds, *International Economic Conditions*, November 1997.

- This cover page was reprinted in *Risks and Rewards*, a quarterly newsletter of the Investment Section of the Society of Actuaries.

Back in the Zone: The Lira Reenters the ERM, *International Economic Conditions*, February 1997.

The EMU: A Credibility Gap?, *International Economic Trends*, May 1996.

The Devil in the Budget Details, *National Economic Trends*, January 1996.

The Move Toward Inflation Targeting in Other Countries, *Central Banker*, Spring 1995.

Will International Excess Capacity Restrain United States Inflation?, *International Economic Conditions*, July 1994.

Comparing Business Cycles over the Long Run, *National Economic Trends*, May 1994.

Editorial Activities

Associate Editor, *Journal of International Financial Markets, Institutions and Money*, 1999-2002.

Associate Editor, *Quantitative Finance*, 2000-present.

Associate Editor, *Applied Economics*, 2001-present.

Co-editor, *Journal of International Financial Markets, Institutions and Money*, 2003-2008.

Editor, *International Economic Trends* of the Federal Reserve Bank of St. Louis, 2003-2011.

Associate Editor, *Annals of Financial Economics*, 2004-present

Special Issue Editor, *International Journal of Finance and Economics*, Special Issue on Foreign Exchange Intervention, April 2007.

Associate Editor, *Journal of Financial Research*, 2011-present

Other Professional Activities

Referee for *American Economic Review*, *Applied Financial Economics*, *Bank of England Working Paper Series*, *Canadian Journal of Economics*, *China Economic Review*, *Computational Finance* '99, *Economic Inquiry*, *Economics Letters*, *Emerging Markets Finance and Trade*, *European Economic Review*, *European Journal of Finance*, *European Journal of Political Economy*, *Financial Review*, *International Economics*, *International Journal of Finance and Economics*, *International Review of Economics and Finance*, *Journal of Applied Econometrics*, *Journal of Banking and Finance*, *Journal of Business and Economic Statistics*, *Journal of Econometrics*, *Journal of Economic Dynamics and Control*, *Journal of Economic Literature*, *Journal of Economics and Business*, *Journal of Economics and Finance*, *Journal of Economics*, *Journal of Empirical Finance*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Financial Econometrics*, *Journal of Financial Markets*, *Journal of Financial Research*, *Journal of Futures Markets*, *Journal of International Economics*, *Journal of International Finance and Economics*, *Journal of International Financial Markets, Institutions, and Money*, *Journal of International Money and Finance*, *Journal of Macroeconomics*, *Journal of Monetary Economics*, *Journal of Money Credit and Banking*, *Oxford Bulletin of Economics and Statistics*, *Portuguese Economic Journal*, *Quantitative Finance*, *Quarterly Review of Economics and Finance*, *Review of Financial Economics*, *Review of Financial Studies*, *Southern Economic Journal*, *Swiss National Bank Working Paper Series*, and *Weltwirtschaftliches Archiv*.

References

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