

T. Niklas Kroner

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EMPLOYMENT

Federal Reserve Board of Governors
Economist, Division of International Finance 2022-

EDUCATION

The University of Texas at Austin
Ph.D. Candidate, Economics 2022

The University of Texas at Austin
M.S., Economics 2018

Karlsruhe Institute of Technology
B.S., Industrial Engineering and Management 2016

University of California, Davis
Non-degree Exchange Student 2015

TEACHING AND RESEARCH INTERESTS

Macroeconomics, International Finance, Asset Pricing

OTHER EMPLOYMENT

Research Assistant, Prof. Christoph Boehm Fall 2018; Fall 2019; Fall 2020

Ph.D. Trainee, European Central Bank Summer 2019

TEACHING EXPERIENCE

The University of Texas at Austin (Teaching Assistant)

Macroeconomics II (Ph.D.)	Spring 2020; Spring 2021
Macroeconomic Theory	Fall 2017; Spring 2018; Spring 2019; Fall 2021
Financial Economics	Summer 2017
Introduction to Macroeconomics	Spring 2017
Introduction to Microeconomics	Fall 2016

HONORS, SCHOLARSHIPS, AND FELLOWSHIPS

Dissertation Writing Fellowship, The University of Texas at Austin 2022
Summer Research Fellowship, The University of Texas at Austin 2021
Professional Development Award, The University of Texas at Austin 2021
Collaborative Research Fellowship, The University of Texas at Austin 2020
Professional Development Award, The University of Texas at Austin 2019
Princeton Initiative: Macro, Money, and Finance, Princeton University 2018
Summer Teaching Fellowship, The University of Texas at Austin 2017

PROFESSIONAL ACTIVITIES

Presentations

Notre Dame (scheduled), Stanford (scheduled), Maryland (scheduled), NBER Summer Institute, Austin Junior Macro Conference*, Carleton University*, 12th ifo Conference on Macro and Survey Data, Federal Reserve Board, Wake Forest, Rutgers, CFM International Macro Conference*, Exeter	2022
Society for Economic Dynamics Annual Meeting, Spring Meeting of Young Economists, Annual Meeting of the Canadian Economics Association, Econometric Society European Meeting, North American Summer Meeting of the Econometric Society, Royal Economic Society Annual Conference, American Economic Association Annual Meeting*, Southern Economic Association Annual Meeting, 24th Central Bank Macroeconomic Modelling Workshop, European Winter Meeting of the Econometric Society, 7th BdF-BoE-BdI International Macroeconomics Workshop*	2021
European Winter Meeting of the Econometric Society, Bocconi University*	2020
European Central Bank	2019
(*Presented by co-author)	

Referee: Review of Economics and Statistics, Journal of Monetary Economics

Service: Student Seminar Coordinator, The University of Texas at Austin

WORKING PAPERS

[Firm-Level Uncertainty and the Transmission of Forward Guidance to Investment](#)

2021

I study the role of firms' uncertainty in the transmission of forward guidance to investment. To do so, I employ a quarterly firm-level panel of U.S. publicly traded firms. I measure forward guidance shocks based on unexpected changes in the slope of the yield curve in a 30-minute window around Federal Reserve announcements. I show that firms which are more uncertain adjust their investment as if they are more pessimistic. More uncertain firms adjust their investment relatively more downward for expected monetary tightenings and relatively less upward for expected loosening. To explain my empirical findings, I construct a New Keynesian model with a high-uncertainty and a low-uncertainty sector. Agents in the high-uncertainty sector are ambiguous (Knightian uncertain) about the informativeness of forward guidance, and choose to take a pessimistic stance due to their ambiguity aversion. The model implies that expansionary forward guidance is less powerful in recessions due to a larger share of uncertain agents.

[The US, Economic News, and the Global Financial Cycle](#)

2020, with Christoph E. Boehm, *Review & Resubmit*, *Review of Economic Studies*

We provide evidence for a causal link between the US economy and the global financial cycle. Using intraday data, we show that US macroeconomic news releases have large and significant effects on global risky asset prices. Stock price indexes of 27 countries, the VIX, and commodity prices all jump instantaneously upon news releases. The responses of stock indexes co-move across countries and are large—often comparable in size to the response of the S&P 500. Further, US macroeconomic news frequently explains more than 15% of the quarterly variation in foreign stock markets. The joint behavior of stock prices and long-term bond yields suggests that systematic US monetary policy reactions to news do not drive the estimated effects. Instead, the evidence is consistent with a direct effect on investors' risk-taking capacity. Our findings show that a byproduct of the United States' central position in the global financial system is that news about its business cycle has large effects on global financial conditions.

[Beyond the Yield Curve: Understanding the Effect of FOMC Announcements on the Stock Market](#)

2021, with Christoph E. Boehm

A large literature uses high-frequency changes in interest rates around FOMC announcements to study monetary policy. These yield changes have puzzlingly low explanatory power for the stock market—even in a narrow 30-minute window. We propose a new approach to test whether the unexplained variation represents monetary policy news or just noise. In particular, we allow for a latent “Fed non-yield curve shock”, which we estimate via a heteroskedasticity-based procedure. Using a test for weak identification, we show that our shock is well identified, that is, the unexplained variation is not just noise. We then go on to show that the shock, signed to increase stock prices, leads to sizable declines in the equity and variance premium, an increase in the 10-year term premium, an increase in short-run inflation expectations, as well as a dollar depreciation against multiple non-safe-haven currencies. Hence, the evidence supports the interpretation that the shock affects risk-appetite and leads to a reverse “flight-to-safety” effect. Lastly, using a method from the computational linguistics literature, we show that our shock can be linked to specific topics discussed in FOMC statements, suggesting that it reflects written communication by the Federal Reserve.

REFERENCES

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PERSONAL

Date of Birth: March 23, 1994

Citizenship: German (F1 Visa)

Language: German (native), English (fluent)

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