

# YILIN WANG

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## EDUCATION

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<b>University of California, Los Angeles</b> Ph.D. in Economics	Jun 2020 (expected)
<b>The Chinese University of Hong Kong</b> M.Phil. in Economics	Jun 2015
<b>Peking University</b> BA in Economics and Finance	Jun 2013

## RESEARCH INTERESTS

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Information Economics, Market Microstructure, Asset Pricing

## RESEARCH PAPERS

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### **Information Sharing Policy and Inter-dealer OTC Markets** (Job Market Paper)

Many decentralized over-the-counter (OTC) markets have recently become subject to new regulations requiring transparency. Empirical findings show there is significant decline in the number of trades for thinly traded corporate bonds due to TRACE post-trade transparency. I build up an information model that features bilateral trade in double auction, endogenous public signal and inter-dealer network formation to study the effect of TRACE on the inter-dealer markets. In the trading stage, I study the private information diffusion process and endogenize the public information contained in the disseminated trading price. I show that in the markets with relatively low degree of information asymmetry, post-trade transparency makes the adverse selection more severe and reduces the surplus from asset reallocation between dealers. It thus hurts the inter-dealer network formation and lowers the inter-dealer trading frequency in those markets. The empirical results show that TRACE has significant negative effect on the inter-dealer trading frequency for thinly traded bonds.

### **Corrigendum to Trading and Information Diffusion in Over-the-Counter Markets**, with Péter Kondor and Ana Babus (*Econometrica* Revise and Resubmit)

As it was noticed by Yilin Wang, in Babus and Kondor (2018) the first-order condition is not consistent with their description of the OTC game, due to the negligence of the indirect price effect. This work is a corrigendum to Babus and Kondor (2018).

### **Determinants of Currency Composition of Reserves: a Portfolio Theory Approach with an Application to RMB**, with Yinqiu Lu (IMF Working Paper)

The way central banks manage their foreign reserve assets has evolved over the past decades. One major trend is managing reserves in two or more tranches – liquidity tranche and investment tranche

– especially for those with adequate reserves. Incorporating reserve tranching, we have developed in this paper a central bank’s reserve portfolio choice model to analyze the determinants of the currency composition of reserves. In particular, we adopt the classical mean-variance framework for the investment tranche and the asset-liability framework for the liquidity tranche. Building on these frameworks, the roles of currency compositions in imports invoicing and short-term external debt, and risk and returns of reserve currencies can be quantified by our structural model – a key contribution of our paper given the absence of structural models in the literature. Finally, we estimate the potential paths of the share of RMB in reserves under different scenarios to shed light on its status as an international currency.

### **Large Traders, Asset Markets, and Currency Crises, with Kim-Sau Chung**

During currency crises, large traders once simultaneously short the asset markets and currency market. We study the large trader’s information manipulation in crises by introducing a large trader in an asset market and a currency-attack coordination game with imperfect information. The asset price realized in the asset market aggregates dispersed private information acting as a public signal in the currency-attack game. We show that the incentive of the large trader to manipulate the asset price in favor of its currency attack leads to the financial contagion. In equilibrium, the large trader’s manipulating the asset price to be lower and attacking the currency regime are concurrent; the large trader’s manipulation in the asset market is most significant when the public signal is in the intermediate range. To draw policy implication regarding the market transparency, we show that when the asset market is transparent, a natural equilibrium refinement that incorporates forward induction reasoning would select the equilibrium where every trader behaves most aggressively in the currency-attack game and the currency regime is most fragile.

## **CONFERENCES**

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<b>Finance Theory Group Summer School</b>	Jun 2019
<i>Oral presentation</i>	<i>The Wharton School, University of Pennsylvania</i>
<b>The Southwest Economic Theory Conference (SWET)</b>	Feb 2019
<i>Oral presentation</i>	<i>University of California, Santa Barbara</i>

## **WORKING EXPERIENCE**

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<b>Citadel LLC</b>	Aug 2019 - Oct 2019
<i>Quantitative Research</i>	<i>Greenwich, Connecticut</i>
<b>International Monetary Fund</b>	Jul 2018 - Sep 2018
<i>Fund Internship Program</i>	<i>Washington, D.C.</i>

## **TEACHING EXPERIENCE**

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<b>UCLA Department of Economics</b>	Sep 2015 - now
<i>Teaching Assistant/Associate/Fellow</i>	

## Graduate

Investments (Master of Financial Engineering)	Fall 2018
Asset Pricing (Master of Applied Economics)	Spring 2018
Computational Methods in Finance (Master of Financial Engineering)	Winter 2018

## Undergraduate

Introduction to Game Theory	Spring 2019
Investments	Winter 2019
Pricing and Strategy	Fall 2018
Introduction to Econometrics	Spring, Winter 2018
Finance	Fall 2017
Principle of Economics	Spring 2017, Fall 2016
Macroeconomic Theory	Winter 2017

## SKILLS

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<b>Computer Skills</b>	Python, Java, Matlab, R, C++
<b>Language</b>	English, Mandarin

## AWARDS

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Doctoral Fellowship, UCLA Department of Economics	2015-2019
Freshman Scholarship, Peking University	2009

## REFERENCES

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<b>Pierre-Olivier Weill</b> (Chair) UCLA Department of Economics	poweill@econ.ucla.edu
<b>Andrew Atkeson</b> UCLA Department of Economics	andy@atkeson.net
<b>Tomasz Sadzik</b> UCLA Department of Economics	tsadzik@econ.ucla.edu