

# Rayhan Momin

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## EDUCATION

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**University of Chicago Booth School of Business**

*PhD in Finance*

*MBA*

Chicago, IL, USA

2024 (*Expected*)

2023 (*Awarded*)

**Columbia University**

*BA in Economics-Mathematics*

New York, NY, USA

2012

## RESEARCH INTERESTS

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Asset Pricing, Banking, International Finance, Macro-Finance, Monetary Policy

## RESEARCH PAPERS

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### Work in Progress

1. **“Commitment Matters: Secured Versus Unsecured Corporate Credit Interventions”**
2. **“Counterfactual Policy Targeting with Firm Heterogeneity: An Application of Causal Machine Learning to the Fed Corporate Credit Facilities”**

### Working Papers

1. **“The Causal Effect of the Fed’s Corporate Credit Facilities on Eligible Issuer Bonds”** (with Jessica S. Li)

We study the effects of the Federal Reserve’s Corporate Credit Facilities (CCFs) that were launched in early 2020 amid significant volatility in the U.S. corporate bond market. We find that the initial announcement of the CCFs on March 23, 2020 benefited issuers eligible for direct primary and secondary support from the CCFs more than ineligible issuers. In contrast, we find that ineligible issuer bond spreads tightened more in the subsequent announcement of the CCF expansion on April 9, 2020. Inconsistent with the CCF eligibility criteria, most research has used issue ratings, rather than issuer ratings, to identify eligible bonds; we document that this results in a sizeable bias when estimating the April 9 effect and trace the source of this bias. We also provide an estimate of the potential (counterfactual) improvement in bond spreads ineligible issuers would have experienced, had they been eligible for the CCFs. Analysis of the channels through which the CCFs operated suggests that the liquidity channel was more important than the default risk channel. We also find that the start of the CCF’s purchases of ETFs on May 12, 2020 and bonds on June 16, 2020 had a smaller effect on bond spreads, though the latter was more impactful.

2. **“Rising from the Ashes: Fallen Angel Corporate Bond Price Recovery Post-Downgrade”** (with Jessica S. Li and Brian Liston-Clark)

In this paper, we investigate fire sales induced by fallen-angel (FA) downgrades of corporate bonds and corresponding dealer inventory build-ups around downgrades. Regulatory restrictions of insurance companies and pension funds, investment charter constraints of mutual funds and investment professional specialization lead to sharp increase in supply of bonds that are recently downgraded. We find that immediately after FA downgrades, bonds experience significant price decline while dealers absorb excess supply leading to large inventory build-up. Subsequently, as dealers gradually unload the bonds to new investors, bond prices experience an extended reversal over a 6-7 month period.

3. **“The Safe Asset Elasticity of Inside Money: What is the relationship between central bank external asset accumulation and bank demand deposit creation?”**

Emerging market (EM) central banks (CBs) balance sheets have experienced significant expansion, much like that of developed market (DM) CBs. DM CB balance sheet expansion involved the purchase of local currency (LC) domestic assets financed by the creation of LC commercial bank demand deposits. In contrast, EM CB balance sheet expansion was driven by the purchase of foreign currency (FC) external assets but financed

through the creation of LC demand deposits. I call the elasticity of demand deposit creation by commercial banks to CB safe asset purchases the safe asset elasticity of inside money. I find that this is stronger for EM CBs and that this elasticity increases as institutional quality decreases. I estimate that the safe asset elasticity for EM CBs is around 13 to 25 percent.

## TEACHING EXPERIENCE

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<b>International Corporate Finance</b> <i>TA for Raghuram Rajan</i>	2020, 2021
<b>Fixed Income Asset Pricing</b> <i>TA for John Heaton</i>	2021
<b>Cases in Financial Management</b> <i>TA for Mark Mitchell</i>	2021

## RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

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<b>Federal Deposit Insurance Corporation</b> <i>Research Economist Trainee (Remote)</i>	Washington D.C., USA 2022
<b>Federal Reserve Bank of Boston</b> <i>Dissertation Fellow (Remote)</i>	Boston, Massachusetts 2022
<b>Board of Governors of the Federal Reserve</b> <i>Sr. Research Assistant, Advanced Foreign Economies Section, International Finance Division</i>	Washington D.C., USA 2015-2017
<b>J.P. Morgan</b> <i>Analyst, Country Risk Management and Sovereign Advisory, Corporate and Investment Bank</i>	New York, NY, USA 2012-2015

## MISCELLANEOUS

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**Languages:** English (native), Bengali (native colloquial), Spanish (basic)  
**Computing:** EViews, FAME, Git/Github, Julia, MATLAB, Mathematica, Python, R, Stata, Unix  
**Interests:** Chess, Cycling, Film, Improv, Reading, Yoga

## CITIZENSHIP

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United States of America