

Desi Volker

Federal Reserve Bank of New York
Capital Markets Research
33 Liberty Street, New York, NY 10045

Phone: (212) 720-7998
Email: desi.volker@ny.frb.org
<https://nyfedeconomists.org/volker>

EMPLOYMENT

Federal Reserve Bank of New York 2017-present
Economist, Capital Markets Function, Research and Statistics Group

EDUCATION

Copenhagen Business School, Denmark 2016
Ph.D. in Finance

Stanford University, U.S. 2012-2013
Visiting Research Scholar (Sponsor: Prof. Monika Piazzesi)

Goethe University Frankfurt am Main, Germany 2010
M. Sc. in Finance

University of Trieste, Italy 2007
B. Sc. in Economics

RESEARCH INTERESTS

Financial Economics, Asset Pricing, Fixed Income, Macro-Finance, Monetary Policy

WORKING PAPERS

“Monetary Policy Uncertainty and Interest Rates”

Abstract: This paper studies the effect of the uncertainty surrounding future monetary policy on interest rates across bond maturities. I measure uncertainty as the cross-sectional dispersion in one-year-ahead fed funds rate forecasts from survey data. Within a flexible dynamic term structure model with observable and latent factors, I provide evidence of a link between uncertainty and interest rate dynamics. I show that monetary policy uncertainty: (i) is an important contributor to the variation in conditional yield volatilities; (ii) has a slope effect on the volatility term structure; (iii) is a priced risk that affects expected excess returns; (iv) is almost unspanned by the cross-section of yields; (v) has potential policy implications.

WORK IN PROGRESS

“Regime-Switching Affine Term Structure Models with Stochastic Volatility”, with Sebastian Fux

Abstract: We develop and estimate a class of multi-factor stochastic volatility regime-switching affine term structure models with state dependent transition probabilities and priced regime shift risk. We assume a flexible specification for the market prices of factor risks and time-varying market prices of regime shift risk. We obtain closed form solutions for bond prices and estimate the model using MCMC. We assess the models ability to match the time-series and cross-sectional properties of yields, as well as evaluate the role of the market prices of factor and regime risks in capturing the time variation in expected excess returns. We find that regime-switching models with stochastic volatility outperform single-regime models in fitting the time-series properties of yields.

“Monetary Policy Actions and Risk Premia”

PROFESSIONAL ACTIVITY

Referee: Journal of Banking and Finance, International Journal of Central Banking

TEACHING EXPERIENCE

Financial Derivatives and Fixed Income, <i>Instructor</i> Graduate Course, Copenhagen Business School	Spring 2016
Investments and Financial Markets, <i>Instructor</i> Undergraduate Course, Copenhagen Business School	Fall-Winter 2013, 2014, 2015
Financial Risk Management, <i>Teaching Assistant</i> Graduate Course, Copenhagen Business School	Spring 2012, 2013, 2014, 2015
Capital Markets Theory, <i>Teaching Assistant</i> Graduate Course, Copenhagen Business School	Fall 2012

OTHER EXPERIENCE

Research Assistant for the chair of Prof. Demetrescu Goethe University, Frankfurt am Main	Spring, Summer 2010
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FELLOWSHIPS AND GRANTS

Nordic Finance Network Travel Grant (2015)
Research Grant from the Otto Mønsted Fund (2013)
Travel Grant for the Summer School in Mathematical Finance Ljubjana (2011)
Copenhagen Business School Ph.D. Fellowship (2010)
University of Trieste Scholarship (2004-2007)

PRESENTATIONS

BI Norwegian Business School, Cass Business School, Deutsche Bundesbank, Foster School of Business, University of Washington, Federal Reserve Board, Federal Reserve Bank of New York, the Nordic Finance Network Workshop in Oslo 2012, Nordic Finance Network Workshop in Stockholm 2014, University of Warwick, Stanford University, Stockholm School of Economics, Tilburg University, Vienna University of Economics and Business.