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Educational Experience and Degrees

Ph.D. (Economics), University of Rochester, February 1989.
M.A. (Economics), University of Rochester, May 1987.
M.Sc. (Operations Research), Technical University of Lisbon, April 1985.
Licenciatura (Economics), Portuguese Catholic University, July 1981.

Honors, Scholarships, and Fellowships

Science Prize 2008, Gulbenkian Foundation.
Lawrence G. Lavengood Professor of the Year, 2007.
Alumni Professor of the Year Award, 2007.
20 times Winner of Executive Masters Program Outstanding Professor Award.
Best alumnus award ("Prémio carreira"), Portuguese Catholic University, 2007.
Sidney J. Levy Teaching Award, 2003, 2006, 2008, and 2011.
Order of Santiago da Espada (Grand Oficial) granted by President of Portugal, 2006.
National Science Foundation Grants: SBR-9511916 (1995-98) and SES-0137063 (2002-05), and SES-0721321 (2007-2009).
Olin Fellowship, National Bureau of Economic Research, 1992-93.
Alfred P. Sloan Doctoral Dissertation Fellowship, 1987-88.
W. Allen Wallis Fellowship, 1986-87.
University of Rochester Fellowship, 1984-87.
Doctoral Fellowship, National Institute for Scientific Research, 1984-87.

Affiliations

Tokai Bank Distinguished Professor of International Finance, Kellogg School of Management, Northwestern University, since July 1997.
Associate Professor, Department of Economics, University of Rochester, 1992-97.
Associate Professor of Finance, Northwestern University, 1991-92.
Assistant Professor of Finance, Northwestern University, 1988-91.
Assistant Professor, Portuguese Catholic University, 1990-91, 1991-92.
Instructor, Portuguese Catholic University,1981-84.

Referee and Editorial Work

Associate Editor, *Journal of Monetary Economics,* 1995 to present.
Associate Editor, *Journal of Economic Growth*, 1997-2004.
Associate Editor, *Journal of the European Economic Association*, 2003-2004.
Associate Editor, *American Economic Review*, 1995-2001.
Associate Editor*, European Economic Review*, 1995-1998.
Member of the Advisory Committee, *Carnegie-Rochester Conference on Public Policy*.
Member of the Panel of *Economic Policy*, 1992-1994.
Member of the Advisory Board, *European Economics Abstracts*, Social Science Research Network.
Referee for National Science Foundation and Major Economics and Finance Journals.

Professional Memberships

Fellow of the Econometric Society.
Research Associate, National Bureau of Economic Research.
Research Fellow, Center for Economic Policy Research.

Professional Experience

Chair of Finance Department, Kellogg School of Management, 2000-02.
Director of Finance M.B.A., Portuguese Catholic University, 1991-1992.
Director of Executive Program in Banking, Portuguese Catholic University/Banking Institute, 1991-1992.
Research Coordinator, Bank of Portugal, 1990-92.
Coordinator of World Bank Research Project "Do National Policies Affect Long Run Growth?" (joint with W. Easterly, R. King and R. Levine), 1990-1992.

Publications

"Carry Trade and Momentum in Currency Markets," (with C. Burnside and M. Eichenbaum) *Annual Review of Financial Economics*, Vol. 3: 511-535, December 2011.

"When is the Government Spending Multiplier Large?" (with L. Christiano and M. Eichenbaum) *Journal of Political Economy*, Vol. 119, No.1, 78-121, February 2011.

"Do Peso Problems Explain the Returns to the Carry Trade?" (with C. Burnside, I. Kleshchelski, and M. Eichenbaum) *Review of Financial Studies*, vol 24, Issue 3, 853-891, March 2011.

"Reference Prices, Costs and Nominal Rigidities," (with M. Eichenbaum and N. Jaimovich), *American Economic Review*, Vol. 101, No. 1, 234-62, February 2011.

"Can News about the Future Drive the Business Cycle?" (with N. Jaimovich), *American Economic Review*, Vol. 9, n.4, 1097-1118, September 2009.

"Understanding the Forward Premium Puzzle: A Microstructure Approach" (with C. Burnside and M. Eichenbaum), *American Economic Journal: Macroeconomics*, Vol. 1, No. 2, pp. 127-54, July 2009.

"News and Business Cycles in Open Economies" (with N. Jaimovich), *Journal of Money, Credit and Banking*, Vol. 40, No. 8, December 2008.

"When Is It Optimal to Abandon a Fixed Exchange Rate?" (with C. Vegh), *Review of Economic Studies*, 75: 929-955, July 2008.

"Carry Trade: the Gains from Diversification," (with C. Burnside, and M. Eichenbaum), *Journal of the European Economic Association*, Vol. 6, No. 2-3: 581–588, April-May 2008.

"Currency Crises Models," (with C. Burnside and M. Eichenbaum) The New Palgrave Dictionary of Economics, 2nd Edition, Palgrave Macmillan, 2008.

"The Returns to Currency Speculation in Emerging Markets" (with C. Burnside, and M. Eichenbaum), *American Economic Review*, 96: 333-338, 2007.

"Behavioral Theories of the Business Cycle" (with N. Jaimovich), *Journal of the European Economic Association*, 5: 361-368, 2007.

"Modeling Exchange Rate Passthrough After Large Devaluations" (with A. Burstein and M. Eichenbaum), *Journal of Monetary Economics*, 54:2; March 2007.

"Government Finance in the Wake of Currency Crises" (with C. Burnside and M. Eichenbaum), *Journal of Monetary Economics*, 53:3, 401–440, April 2006.

"The Importance of Nontradable Goods' Prices in Cyclical Real Exchange Rate Fluctuations" (with A. Burstein and M. Eichenbaum) *Japan and the World Economy*, 18: 247-253, 2006.

"Large Devaluations and the Real Exchange Rate," (with A. Burstein and M. Eichenbaum), *Journal of Political Economy*, 113: 742-784, 2005.

"Real Business Cycle Models: Past, Present, and Future," *Scandinavian Journal of Economics*, 107: 217–238, 2005.

"Currency Crises and Fiscal Sustainability," (with C. Burnside and M. Eichenbaum) in Craig Burnside (ed.) *Fiscal Sustainability in Theory and Practice: A Handbook*, Washington, DC: World Bank, June 2005.

"Financing the Costs of Currency Crises," (with C. Burnside and M. Eichenbaum) in Craig Burnside (ed.) *Fiscal Sustainability in Theory and Practice: A Handbook*, Washington, DC: World Bank, June 2005.

"Business Cycles," *Annals of Economics and Finance*, 6: 229-250, 2005.

"Government Guarantees and Self-fulfilling Speculative Attacks" (with C. Burnside and M. Eichenbaum), *Journal of Economic Theory*, 119: 31-63, 2004.

"Investment Prices and Exchange Rates: Some Basic Facts," (with A. Burstein and J. Neves) *Journal of the European Economic Association*, 2: 302-309, April-May 2004.

"Distribution Costs and Real Exchange Rate Dynamics During Exchange-Rate-Based-Stabilizations" (with A. Burstein and J. Neves), *Journal of Monetary Economics*, 50: 1189–1214, 2003.

"On the Fiscal Implications of Twin Crises," (with C. Burnside and M. Eichenbaum), in M. Dooley and J. Frankel (eds.) *Managing Currency Crises in Emerging Markets*, Chicago University Press, 2003.

"Production, Growth and Business Cycles: Technical Appendix," (with R. King and C. Plosser) *Computational Economics* 20 (1): 87-116, Oct 2002.

"Beyond Balanced Growth" (with P. Kongsamut and D. Xie), *Review of Economic Studies*, 68 (4): 869-882, 2001.

"Prospective Deficits and the Asian Currency Crises" (with C. Burnside and M. Eichenbaum), *Journal of Political Economy*, 109: 1155-1197, 2001.

"Equilibrium Unemployment," (with J. Gomes and J. Greenwood), *Journal of Monetary Economics*, 48: 109-152, 2001.

"Hedging and Financial Fragility in Fixed Exchange Rate Regimes," (with C. Burnside and M. Eichenbaum), *European Economic Review*, 45: 1151-1193, 2001.

"Understanding the Korean and Thai Currency Crises," (with C. Burnside and M. Eichenbaum), *Economic Perspectives*, Federal Reserve Bank of Chicago, 3: 54-60, 2000.

"On the Dynamics of Trade Reform," (with R. Albuquerque) *Journal of International Economics*, 51: 21-48, June 2000.

"The Role of Knowledge and Capital in Economic Growth," in Matti Pohjola (ed.) *Information Technology and Economic Development*, Wider, United Nation, 2001.

"Resuscitating Real Business Cycles," (with R. King), in John Taylor and Michael Woodford (eds.) *Handbook of Macroeconomics*, North-Holland, 927-1007, 2000.

"What Caused the Recent Asian Currency Crises?," (with C. Burnside, and M. Eichenbaum), G. Kaufman (ed.), *The Asian Currency Crises: Causes and Consequences*, 1999.

"On the Optimality of Interest Rate Smoothing," (with D. Xie), *Journal of Monetary Economics*, 43: 263-282, 1999.

"Sectoral Solow Residuals," (with C. Burnside and M. Eichenbaum) *European Economic Review*, 40: 861-869, April 1996.

"On the Determinants of Economic Growth," Holger Wolff (ed.) *Proceedings of 1995 World Congress, International Economic Association.*

"Exchange-Rate-Based Stabilizations: An Analysis of Competing Theories," (with C. Vegh), *NBER Macroeconomics Annual 1995*, 125-174.

"Capital Utilization and Returns to Scale," (with C. Burnside and M. Eichenbaum), *NBER Macroeconomics Annual 1995*, 67-110.

"Growth Effects of Flat-Rate Taxes," (with N. Stokey), *Journal of Political Economy*, 103: 519-550, June 1995.

"Business Cycles in a Small Open Economy," (with I. Correia and J. Neves), *European Economic Review,* 39: 1089-1113, 1995.

"Policy, Technology Adoption and Growth," (with W. Easterly, R. Levine and R. King), in R. Solow and L. Pasinetti (eds.) *Economic Growth and the Structure of Long Term Development*, MacMillan, London, 1994.

"Fiscal Policy and Economic Growth: An Empirical Investigation," (with W. Easterly), *Journal of Monetary Economics*, 32: 417-458, December 1993.

"Inflation in Fixed Exchange Rate Regimes: The Recent Portuguese Experience," in F. Torres and F. Giavazzi (eds.) *Adjustment and Growth in the European Monetary Union*, Cambridge University Press, 1993.

"Transitional Dynamics and Economic Growth in the Neoclassical Model," (with R. King), *American Economic Review*, 83 : 908-31, September 1993.
Reprinted in: Gene Grossman (ed.) *Economic Growth: Theory and Evidence*, Edward Elgar Publishers, London, 1996.

"Labor Hoarding and the Business Cycle," (with C. Burnside and M. Eichenbaum), *Journal of Political Economy*, 1993, 101: 245-273.

"Marginal Income Tax Rates and Economic Growth in Developing Countries," (with W. Easterly), *European Economic Review*, 1993, 37: 409-417.

"Low Frequency Filtering and Real Business Cycles," (with R. King), *Journal of Economic Dynamics and Control*, 1993, 17: 207-231.

"Business Cycles 1850-1950: New Facts about Old Data," (with I. Correia and J. Neves) *European Economic Review*, April 1992, 36: 459-467.

"Growth in Open Economies," *Carnegie-Rochester Series on Public Policy*, 36: 5-46, 1992.

"Business Cycles in Portugal: Theory and Evidence," (with I. Correia and J. Neves), in Amaral, Lucena e Mello (eds.) *Portugal Toward 1992*, Kluwer Academic Publishers, 1992.

"Long Run Policy Analysis and Long Run Growth," *Journal of Political Economy*, June 1991, 99: 500-521.
Reprinted in: Gene Grossman (ed.) *Economic Growth: Theory and Evidence*, Edward Elgar Publishers, London, 1996.

"Public Policy and Economic Growth: Developing Neoclassical Implications," (with R. King), *Journal of Political Economy*, October 1990, 98: S126-S150.

"Production, Growth and Business Cycles I: The Basic Neoclassical Model," (with R. King and C. Plosser) *Journal of Monetary Economics*, March/May ,1988, 21: 195-232.
Reprinted in: Becker, Robert and Edwin Burmeister (eds.) *Growth Theory III*, Edward Elgar Publishers, London 1989, and in
Phelps, Edmund (ed.) *Recent Developments in Macroeconomics,* Edward Elgar Publishers, London 1990.

"Production, Growth and Business Cycles II: New Directions," (with R. King and C. Plosser)

Journal of Monetary Economics, March/May 1988, 21: 309-341.

"Optimal Fiscal Evasion Control: The Case of the Profit Tax" (in Portuguese)," *Economia*, October1986.

"Bayesian Forecasting Methods: An Introduction" (in Portuguese, with C. Lucas and J. Neves), *Proceedings from the First Congress on Operations Research and Systems Engineering,* APDIO, Lisboa, 1982.

Comments

"A Comment on Allan Drazen's "Interest Rate and Borrowing Defense Against Speculative Attack," forthcoming, *Carnegie-Rochester Series on Public Policy*

"A Comment on Roger Farmer's "Money in a Real Business Cycle Model," *Journal of Money, Credit and Banking*, 29: 612-615, 1997.

"A Comment on Paul De Grawe's 'Toward European Union without the EMS," *Economic Policy*, 18, April 1994.

"A Comment on Alesina, De Broeck, Pratti and Tabellini, 'Default Risk on Government Debt in OECD Countries'," *Economic Policy*, 15, October 1992.

Working Papers

"Don't Cross the Line: Non-linear Effects of Taxation on Growth," March 2012 (with Nir Jaimovich)

"How Frequent are Small Price Changes?," February 2012 (with Martin Eichenbaum, Nir Jaimovich, and Josephine Smith)

"Booms and Busts in Housing Markets," February 2011, (with Craig Burnside and Martin Eichenbaum)

"What Explains the Lagged Investment Effect?," revised February 2012 (with Janice Eberly and Nicolas Vincent)

Case Studies

"Managing Foreign Exchange Risk: Acquiring Nusantara Communications Inc.," Harvard Business School case KEL373, 2008.

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