Xin LONG

Contact Information

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Education

ESSEC Business School, France & Singapore
Ph.D. in Economics (Specializing in *International Finance*) *2021-2025 (Expected)*
M.S. in Business Administration Research *2019-2021*

Toulouse Business School, France
Exchange program *2017*

Wuhan University, China
M.A. in Economics *2016-2019*

Wuhan University, China
B.A. in Finance *2012-2016*

Research Interests

International Finance, Macro-Finance, International Trade, Political Economy

Working Papers

Dollar Financing and Trade: Evidence from Chile (**Job Market Paper**)
Presentations & Conferences: 64th SWFA Annual Conference (Scheduled, San Antonio 2025); 2024 International Conference on Sustainability, Environment, and Social Transition in Economics and Finance (Accepted, Paris 2024); Theoretical and Applied Economics Seminar (Cergy 2024); AFEDEV Job Market Training (Clermont-Ferrand 2024); 1st Modern Finance Conference (Warsaw 2024)

The Dollar Squeeze and Economic Growth, with Jamus J. LIM
under review at the *Journal of Money, Credit and Banking*
Presentations & Conferences (**by coauthor*): Asian Economic Development Conference (Seoul 2024)*; The Nippon Finance Association 32nd Annual Conference (Tokyo 2024); World Finance Banking Symposium (Vilnius 2023); 22nd International Conference of the Japan Economic Policy Association (Osaka 2023); 39th Symposium on Money Banking & Finance (Lille 2023); International Conference on Development Economics (Paris 2023)

Political Risk Contributes to Post-Crisis Violations of Covered Interest Parity , with Jamus J. LIM
Presentations & Conferences (**by coauthor*): World Finance Banking Symposium (scheduled, Abu Dhabi 2024)*; Theoretical and Applied Economics Seminar (Cergy 2024); European Public Choice Society (Vienna 2024)*; NUS Business School Brown Bag (Singapore 2023)*; Singapore Political Economy Seminar (Singapore 2023); Silvaplana Political Economy (Pontresina 2023)

Pedagogical & Research Experience

ESSEC Business School
Lecturer, *Macroeconomics* for Global BBA (*Evaluation: 4.23/5*) *Spring 2024*
Instructor, *Global Simulation Game* for Global BBA *Oct. 2022 & 2023*
Teaching Assistant, *International Economics* for Global BBA *Fall 2022 & 2023*

Academic honors and Awards

Graduate Student Grant, Silvaplana Workshop *2023*
International Internship Grant, ESSEC Business School *2022*
Ph.D. Fellowship, ESSEC Business School *2019-2024*
National Scholarship Award, Ministry of Education (China) *2018*
Chinese Government Scholarship, China Scholarship Council *2017*
Master Scholarship, Wuhan University *2016-2019*

Publications Before PhD

Spillover Effects of Global Liquidity Dynamics Evolution on Emerging Market Economies (in Chinese with Zhang T. and Peng Y.) World Economy Studies (世界经济研究), 2019(11): 94-107.

Global Liquidity Dynamics and Their Impact on Macroeconomy (in Chinese with Zhang T.) Research of Financial and Economic Issues (财经问题研究), 2018(02): 54-63.

Expected or Delayed: Is the Global Liquidity's Inflection Point upon Us? (in Chinese with Zhang T.) International Economic Review (国际经济评论), 2017(06): 88-105.

References

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Professor
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Clinton Watkins
Professor in Finance
Akita International University (Japan)
Email: clinton-watkins@aiu.ac.jp

Skills

Software : Stata, Eviews, Latex
Language: Chinese (native), English (fluent), French (beginner)

Abstracts of Working Papers

Dollar Financing and Trade: Evidence from Chile (Job Market Paper)
Abstract: Dollar invoicing is prevalent in international trade, even when the United States is not involved; however, little is known about how access to dollar liquidity impacts trade flows of non-US firms. This paper examines how dollar financing affects firms' trading behaviors using the cross-currency basis (CCB) as a country-specific indicator of the dollar borrowing cost for firms outside the United States. Exploiting disaggregated firm-level data from Chile between 2009 and 2022, I apply a multi-dimensional fixed effect model along with two shift-share style instruments to identify the effects of dollar financing on firms' imports and exports. Intuitively, I find that easier access to dollar liquidity increases both firm-level imports and exports. However, this effect diminishes when exporting firms trade more intensively with the United States, suggesting that they rely less on the foreign exchange (FX) market for dollar liquidity when alternative sources of funding are available. Further analysis reveals that CCB works better as a dollar liquidity indicator than the more commonly utilized broad dollar index. Lastly, I conduct an analogous exercise with Chinese data, which echoes the finding from Chile while underscoring the conditioning role of different exchange rate regimes.

The Dollar Squeeze and Economic Growth, with Jamus J. LIM
Abstract: We explore how covered interest parity deviations—measured by the cross-currency basis (CCB)—affects output growth. Using quarterly data from advanced economies (AE) and emerging markets (EM) in a panel VAR model and local projections, we find that positive shocks to the CCB typically lead to negative responses in output, implying that looser dollar funding conditions induce contractions. This counterintuitive result may be understood by recognizing that the effects of dollar access operates by altering the relative attractiveness of dollar versus non-dollar-denominated assets. During financial crises in AEs, the safe-haven demand for dollar assets is so pronounced that shortfalls in international liquidity become especially debilitating for growth. During normal times, however, easier dollar access induces agents in EMs to increase their purchases of local-currency assets, impairing domestic liquidity and hence growth; whereas in AEs, the exchange rate appreciates to compensate holders of local-currency assets, which erodes export competitiveness and growth.

Political Risk Contributes to Post-Crisis Violations of Covered Interest Parity, with Jamus J. LIM
Abstract: The large and persistent deviations in covered interest parity (CIP) observed after the global financial crisis presents a puzzle to international finance, given usual arbitrage opportunities. This paper suggests that a country's political risk is an underexplored factor in determining the cross-currency basis (CCB), a measure of such deviations. Using data for 33 advanced economy (AE) and emerging market (EM) currencies, we introduce country-specific political risk into the CIP condition, and test if such risk matters for the CCB. To identify the effect of political risk, we employ two strategies: a duration-to-election indicator, which we also pair with democratic accountability as instruments; and, a regression discontinuity around close elections. We find that higher political risks do result in more negative CCBs, consistent with our modified theory. Further explorations reveal that political risks affect CIP deviations differentially in AEs versus EMs, and that international reserves and dollar swap lines can relieve the effects of political risk. We also show that the results are driven by the effect of *unanticipated* (rather than systematic) political risk, operating on the synthetic dollar rate.