Francesco Casalena

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Francesco Casalena
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Education

Ph.D. in International Economics, Geneva Graduate Institute (IHEID) 2021 - 2026 *(expected)*
Supervisor: Prof. Cédric Tille. Second reader: Prof. Nathan Sussman.

Swiss Doctoral Program, Studienzentrum Gerzensee 2022 - 2023
Sequences: Econometrics and Macroeconomics.

M.Sc. in Economics, The London School of Economics (LSE) 2019 - 2020
Supervisor: Prof. Saleem Bahaj.

B.Sc. in Economics and Business, LUISS "Guido Carli" 2016 - 2019
Supervisor: Prof. Saul Lach.

Work Experience

Institute of Applied Economics (CREA) 01/2025 - *Present*
Research Economist
- Construction and maintenance of econometric forecasting models within the Institute of Applied Economics (CREA).
- Production and Assessment of quarterly joint forecasts of the Swiss inflation and unemployment rate.

International Monetary Fund (IMF) 06/2024 - 08/2024
PhD Intern
- Internship in the General Macro and Fiscal (MF) division of the Institute for Capacity Development (ICD) department.
- Research project on macro stabilising properties and debt sustainability implications of fiscal rules in emerging countries.
- Publication of (forthcoming) IMF working paper.

United Nations Conference on Trade and Development (UNCTAD) 01/2024 - 04/2024
Consultant
- Data analysis on long-term greenfield Foreign Direct Investment trends in manufacturing and services, with emphasis on the geographical dimension of FDI flows.
- Contribution to the redaction of the policy report "Global economic fracturing and shifting FDI patterns".
- Abridged version of the report published as VoxEU column.

International Labour Organisation (ILO) 09/2022 - 04/2023
Consultant
- Quantitative meta-analysis of the empirical literature on the dynamic relation between the demographic transition, old age social protection, labour market outcomes and economic growth.
- Estimation of fiscal costs of universal pension coverage in low and lower-middle income countries.
- Contribution to the redaction of a policy brief synthesising the main findings, published as part of the 11^{th} ILO Monitor on the World of work.

Centro Europa Ricerche S.r.l. 07/2020 - 05/2022
Junior Economist
- Construction and evaluation of short and medium-term forecasts of the main macroeconomic indicators.
- Redaction of fortnightly notes on the global macroeconomic outlook with a specific focus on the Eurozone and the US.
- Total publication of five chapters in CER's quarterly Reports. Topics included: the impact of lockdown policies on economic activity, the macro dynamics of international trade during the pandemic, an analysis of the causes of the US inflation, the macro effects of the US 2021 fiscal stimulus.

Teaching Experience

Geneva Graduate Institute (IHEID) 01/2023 - *Present*
Graduate Teaching Assistant
- Supervising Applied Research Projects (ARP) in Sustainable Trade and Finance.
- Other courses assisted:
  - Spring 2023: Macroeconomics B (Prof. Philippe Bacchetta)
  - Fall 2023 and Fall 2024: Econometrics I (Prof. Julia Cajal Grossi and Prof. Marko Mlikota)
  - Spring 2024 and Spring 2025: Econometrics II (Prof. Marko Mlikota)

École Polytechnique Fédérale de Lausanne (EPFL) 09/2022 - 02/2025
Graduate Teaching Assistant
- Course assisted in Fall 2022 and Fall 2023: "Globalisation, robotics and the future of work" (Prof. Richard E. Baldwin).
- Course assisted in Fall 2024: "Sustainability in the global context" (Prof. Richard E. Baldwin).

Research

Back to Normal? Assessing the Effects of the Federal Reserve's Quantitative Tightening

Abstract: *We study the effects of the Federal Reserve's two Quantitative Tightening (QT) programmes implemented over the last decade. We use a high frequency identification strategy to distinguish between conventional monetary policy shocks, Treasury borrowing announcement shocks and the unwinding of the balance sheet. Further, we analyse both QT announcements and operations. Our results show that the Fed was successful in muting the signalling effect of its Balance Sheet Policy (BSP) announcements, as statements not containing quantitative information about QT did not impact significantly asset prices. Conversely, communications disclosing information over the size and the pace of QT had an effect on financial markets. We also find that QT operations have a significant and persistent deflationary effect on interest rates and asset prices. A 1-trillion USD reduction in securities holdings by the Fed is associated with an increase in 10-year Treasury yields by 2 percentage points. While the contractionary effects of QT have so far been at least partially offset by liquidity operations that have expanded the supply of reserves, our results suggest that balance sheet reductions entail in principle strong negative effects on financial markets. Although QT does not represent in the policymakers' view the primary tool to achieve price stability, it is yet far from running quietly in the background of the monetary policy stance.*

- Presented at IHEID and HEC Lausanne internal seminars (2024), 2024 Gerzensee Alumni Conference, 2025 UniGe-IHEID PhD Workshop, 2025 Young Swiss Economist Meeting (YSEM), 18$^{\text{th}}$ RGS Doctoral Conference (Dortmund, 2025), 2025 SFI Research Days.
- Published as IHEID Working Paper.

Type, Size, and Instrument: A Model-Based Analysis of Fiscal Policy Rules (in progress)
with M. Andrle, J. P. Angel M., J. S. Corrales M. and A. Soler

Abstract: *The paper contributes to the existing literature on evaluation of fiscal rules by analyzing macroeconomic dynamics and debt stabilization capacity of fiscal reaction functions usually suggested by the fiscal rules implemented by governments. We use an internally consistent macroeconomic model with households and firms forming informed expectations about future government policies. The paper investigates the role of fiscal rules in expectations formation of households and firms and the implications of following fixed numerical targets rather than state-dependent reaction functions, and the consequence of using different fiscal instruments to comply with the rules.*

- Presented at IMF and IHEID internal seminars (2024).
- Published as (forthcoming) IMF Working Paper.

Credit Controls as a Monetary Policy Tool: Evidence from the Italian Experience (1973-1986) (in progress)

Abstract: *This paper provides a quantitative evaluation of direct credit controls as a monetary policy tool employed by the Italian central bank during the mid-70s and early 80s. By relying on archival data sources on monetary policy implementation and using a SVAR model with narrative identification, we estimate the effect of credit controls on output, prices and the yield curve, as well as on commercial bank's funding structure and balance sheet composition.*

- Presented at IHEID internal seminar (2025).

Forecasting the UK Pound/US Dollar Exchange Rate with a Continuous Time Macroeconomic Model (in progress)

Abstract: *Over the last forty years, researchers have repeatedly tried to overturn the puzzling result of Meese and Rogoff (1983), according to which a simple random walk without drift is the best ex post predictor of the nominal exchange rate. We contribute to the literature by estimating a New Keynesian Small Open Economy (NK-SOE) continuous time model of the United Kingdom, with the primary purpose forecasting the Pound/Dollar spot exchange rate. The model consist of 20 simultaneous differential equations, with 8 exogenous variables and 77 parameters. The data sample used for estimation is quarterly, running from 1982Q1 to 2019Q4. The forecasting performance of the model is gauged against the standard random walk without drift. Several forecast evaluation tests are proposed and discussed.*

Skills

Softwares: Stata, R/RStudio, Matlab/Dynare, LaTeX, MS Office, Bloomberg, Datastream, Macrobond.

Additional Training (Selection):
"Bayesian Methods for Empirical Macroeconomics" by Prof. Gary Koop *(Gerzensee ADP - 08/2022)*.
"The Identification of Structural Shocks" by Prof. Jean-Paul Renne and Prof. Kenza Benhima *(HEC Lausanne - 02/2023)*.
"The Macroeconomics of Exchange Rates" by Prof. Oleg Itskhoki *(Gerzensee ADP - 08/2023)*.

Languages: Italian (native), English (C1), French (C1), Spanish (C1), German (basic).

Academic References

Prof. Cédric Tille
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Geneva Graduate Institute (IHEID)
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Prof. Ugo Panizza
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Prof. Paolo Cavallino
Visiting Professor of Economics
Geneva Graduate Institute (IHEID)
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Professional References

Dr. Michal Andrle
Deputy Division Chief, ICD-MF
International Monetary Fund (IMF)
MAndrle@imf.org

Prof. Julia Cajal Grossi
Professor of Economics
Geneva Graduate Institute (IHEID)
julia.cajal@graduateinstitute.ch

Dr. Roger Gomis
Economist
International Labour Office (ILO)
gomisr@ilo.org