

## **Trung Thanh Bui**

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**Personal:** Vietnamese citizen (G4 Visa), married to Helen Nguyen

### **Education:**

Ph.D., Economics, Georgetown University, Washington DC, 2009  
Dissertation Title: “*International Portfolios in the New Open Economy Macroeconomics Model*”  
M.A., Economics, Georgetown University, Washington DC, 2005  
B.A., Economics, University of Maryland, College Park, *magna cum laude*, 2003  
B.B.A., Business, University of Queensland, Brisbane, Australia, 2001

### **Fields of Interest:**

*Primary fields*            International Finance, Open Economy Macroeconomics  
*Secondary fields*        Applied Macro-econometrics (Time series), Monetary Economics

### **Research Experience:**

June 2009 - present    *Research Officer*, Strategy, Policy, and Review Department (IMF)

### **Teaching Experience:**

Summer, 2008            *Instructor*, Principles of Macroeconomics ( Georgetown University)  
2005 - 2009              *Teaching Assistant*, Microeconomic Theory, Principles of Macroeconomics,  
International Finance (Georgetown University)

### **Conference and Seminar Presentations:**

Midwest Economic Association Meetings (Chicago, 2008)  
Southern Economic Association Meetings (Washington DC, 2008)

### **Honors, Scholarships, and Fellowships:**

2008 - 2009              Merit-based Teaching Assistantship, Georgetown University  
2003 - 2008              University Fellowships, Georgetown University  
1999 - 2001              Australian Agency for International Development (AusAID) Scholarship

**Technical Skills:**

Dynare, Gauss, Matlab, Scientific Workplace, E-Views, STATA

**Languages:**

Vietnamese (*native*), English (*fluent*)

**Research Paper(s) in Progress:**

“Adaptive Learning, Monetary Policy and the Asian Crises” (2006)

“Fiscal Policy Effects on International Portfolio Choices” (2009)

“Deconstructing the International Business Cycle: Why does a U.S. Sneeze Give the Rest of the World a Cold?” joint with Tamim Bayoumi and Sam Ouliaris (2009)

“The Determinants of International Portfolio Dynamics,” joint with Ergys Islamaj (2009)

**References:**

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**Dissertation Papers:**

***“International Portfolio Dynamics in the New Open Economy Macroeconomics Model”***  
**(Job Market Paper)**

**Abstract:** This paper examines the dynamics of equilibrium portfolio choices in a DSGE New Open Economy Macroeconomics model with incomplete asset markets. The model incorporates capital accumulation and price rigidity and allows for trade in stocks and nominal bonds; it is driven by TFP shocks, investment-specific technology shocks, and monetary policy shocks. Using recently developed approximation methods, the paper reports the dynamic responses of international portfolios to shocks. The model generates sizeable volatility in portfolios and international asset trade. Valuation effects and net trades are much larger for stocks than those for bonds; and they account for most of the volatility in gross external asset and liability positions in the model. The results confirm some findings in the earlier literature and extend the literature by allowing a role for monetary policy shocks. These shocks have important effects on the dynamics of asset holdings and asset trade in the incomplete markets case.

**KEYWORDS:** Portfolio dynamics, Sticky prices, Incomplete asset markets, Second-order approximation  
**JEL CLASSIFICATION:** F36, F41, G11

***“International Asset Portfolios in the New Open Economy Macroeconomics Model”***

Abstract: In this paper, we build a dynamic stochastic general equilibrium NOEM model and embed portfolio choices in this richer dynamic environment. Following Heathcote and Perri (2007), we develop a flexible and easily applicable iteration method to quantitatively study international asset portfolios in models with either complete or incomplete asset markets. We find that home bias in equilibrium equity portfolio can arise even if there is no bias in consumption and investment under both asset market specifications. Under sticky prices, monetary policy shocks have a significant impact on portfolio choices. Sensitivity analysis finds that equilibrium portfolios depend on the model's specifications. Equilibrium portfolio is particularly very sensitive to the elasticity of substitution between domestic and imported goods. It is also important to note that sensitivity of equilibrium portfolios to some parameters can change significantly under incomplete asset markets.

KEYWORDS: Portfolio choices, Sticky prices, Incomplete asset markets, Second-order approximation  
JEL CLASSIFICATION: F36, F41

***“International Portfolio Dynamics: Evidence from US markets”***

Abstract: This paper employs recent developments in the structural Vector Auto Regression literature to empirically investigate the effects of three economic shocks: investment-specific technology, total factor productivity, and monetary policy shocks on the US net foreign asset position and the international portfolio dynamics. The paper exclusively focuses on the role of US domestic shocks. The benchmark period is from 1982:Q2 to 2007:Q4. Results show that each shock plays an important role in explaining the dynamics of international portfolio holdings. These three shocks together can account for between 10% to 45% of fluctuations in portfolio holdings and almost 29% of NFA variability over business cycle frequencies. These shocks also account for smaller fractions of volatility in asset trades. Interestingly, monetary policy shocks can explain a larger fraction of the equity portfolios dynamics than those of two technology shocks, while technology shocks have more explanatory power over the dynamics of bond portfolios.

KEYWORDS: Structural VAR, Identification, Portfolio dynamics  
JEL CLASSIFICATION: C32, F32, G11