TANYA MOLODTSOVA

Department of Economics

Emory University

1602 Fishburne Dr

Atlanta, GA 30322-2240

E-mail: tvmolodt@mail.uh.edu

Rich Memorial 322B

Cell: +1 (281) 907-3934

Work: +1 (404) 727-8808

Fax: +1 (404) 727-4639

Web: http://www.uh.edu/~tvmolodt

EDUCATION

Ph.D., Economics, University of Houston, 2008

M.Sc., Physics, Odessa National University, Odessa, Ukraine, 2001

RESEARCH INTERESTS

International Macroeconomics, Forecasting, Time Series Econometrics

DISSERTATION

"Out-of-Sample Exchange Rate Predictability with Taylor Rule Fundamentals and Real-Time Data"
Sponsor: David Papell

PROFESSIONAL EXPERIENCE

2008 – Present	**Emory University, Department of Economics**
	Assistant Professor, Econometrics, International Finance – Fall 2008
2003 – 2008	**University of Houston, Department of Economics**
Fall 2007 – Spring 2008	**Teaching Assistant**, Economics of Globalization: Ruxandra Prodan
Spring 2007	**Teaching Assistant**, Introduction to Statistics and Data Analysis: Chris Murray
Fall 2006	**Instructor**, Principles of Microeconomics
Summer 2006	**Instructor**, Principles of Macroeconomics
Spring 2006	**Teaching Assistant**, Economics of Globalization: David Papell
Fall 2005	**Instructor**, Principles of Microeconomics
Fall 2003 – Spring 2005	**Teaching Assistant**, Principles of Microeconomics, Economics of Education: Chinhui Juhn

JOURNAL PUBLICATIONS

"Taylor Rules with Real-Time Data: A Tale of Two Countries and One Exchange Rate", with Alex Nikolsko-Rzhevskyy and David Papell, forthcoming, *Journal of Monetary Economics*, 2008

WORKING PAPERS

"Out-of-Sample Exchange Rate Predictability with Taylor Rule Fundamentals", with David Papell, revise and resubmit, *Journal of International Economics*, June 2008
"Taylor Rules and The Euro", with Alex Nikolsko-Rzhevskyy and David Papell, June 2008

WORK IN PROGRESS

"Real-Time Exchange Rate Predictability with Taylor Rule Fundamentals", February 2008

PRESENTATIONS

- **"Taylor Rules with Real-Time Data: A Tale of Two Countries and One Exchange Rate"**
John Taylor's Contributions to Monetary Theory and Policy, A Conference Hosted by the Federal Reserve Bank of Dallas, Dallas, October 2007 (participant)

North American Econometric Society Summer Meetings, Durham, June 2007 (presenter)
27th Annual International Symposium on Forecasting, New York City, June 2007 (presenter)
7th Annual Missouri Economics Conference, Columbia, March 2007 (presenter)
12th Texas Econometrics Camp, League City, February 2007 (presenter)
- **"Out-of-Sample Exchange Rate Predictability with Taylor Rule Fundamentals"**

NBER Summer Institute, Forecasting and Empirical Methods in Macroeconomics and Finance Workshop, Cambridge, July 2007 (participant)
American Economic Association, IEFS session, Chicago, January 2007 (participant)
Southern Economic Association, IEFS sessions, Charleston, October 2006 (presenter and discussant)
North American Econometric Society Summer Meetings, Minneapolis, June 2006 (presenter)
4th INFINITY Conference on International Finance, Trinity College, Dublin, Ireland (presenter and discussant)
11th Texas Econometrics Camp, Huntsville, TX (presenter)

AWARDS

2003-present	Teaching Assistantship, University of Houston
2003-2004	Cullen Supplemental Graduate Fellowship, University of Houston
Summer 2002	COSCO Scholarship, Helsinki School of Economics
2002-2003	EERC Alumni Scholarship

AFFILLIATIONS

American Economic Association, Econometric Society, Southern Economic Association, European Economic Association, European Econometric Society, Euro Area Business Cycle Network, International Institute of Forecasters

ADDITIONAL INFORMATION

Languages	English – fluent, French – good, Turkish – basic , Russian, Ukrainian – native
Computer Skills	Gauss, WinRats, Eviews, Stata, MathCad, LaTex, MS Office
Citizenship	Ukraine
Visa Status	F-1
Marital Status	Single

REFERENCES

David Papell, Professor and Chair, Department of Economics, University of Houston
Phone: 713-743-3807 Email: dpapell@uh.edu
Bent Sørensen, Professor and Graduate Director, Department of Economics, University of Houston
Phone: 713-743-3841 Email: bent.sorensen@mail.uh.edu
Chris Murray, Associate Professor, Department of Economics, University of Houston
Phone: 713-743-3835 Email: cmurray@mail.uh.edu
Masao Ogaki, Professor, Department of Economics, Ohio State University
Phone: 614-292-5842 Email: mogaki@ecolan.sbs.ohio-state.edu

WORKING PAPERS

"Taylor Rules with Real-Time Data: A Tale of Two Countries and One Exchange Rate", with Alex Nikolsko-Rzhevskyy and David Papell, forthcoming, *Journal of Monetary Economics*, 2008

Abstract: Using real-time data that reflects information available to monetary authorities at the time they are formulating policy, we find that estimated Taylor rules based on revised and real-time data differ more for Germany than for the U.S., Taylor rules using real-time data suggest differences between U.S. and German monetary policies, and Taylor rules for the U.S. using inflation forecasts are nearly identical to those using lagged inflation rates. Evidence of out-of-sample predictability for the dollar/mark nominal exchange rate with forecasts based on Taylor rule fundamentals is only found with real-time data and does not increase if inflation forecasts are used.

"Out-of-Sample Exchange Rate Predictability with Taylor Rule Fundamentals", with David Papell, revise and resubmit, *Journal of International Economics*, June 2008

Abstract: An extensive literature that studied the performance of empirical exchange rate models following Meese and Rogoff's (1983a) seminal paper has not yet convincingly overturned their result of no out-of-sample predictability of exchange rates. This paper extends the conventional set of models of exchange rate determination by investigating predictability of models that incorporate Taylor rule fundamentals. Using Clark and West's (2006) recently developed inference procedure for testing the equal predictability of two nested models, we find evidence of short-term predictability for 11 out of 12 currencies vis-à-vis the U.S. dollar over the post-Bretton Woods float. The evidence of predictability is much stronger with Taylor rule models than with conventional interest rate, purchasing power parity, or monetary models.

"Taylor Rules and The Euro", with Alex Nikolsko-Rzhevskyy and David Papell, June 2008

Abstract: This paper uses real-time data to analyze whether the variables that normally enter central banks' interest-rate-setting rules, which we call Taylor rule fundamentals, can provide evidence of out-of-sample predictability for the United States Dollar/Euro exchange rate from the inception of the Euro in 1999 to the end of 2007. The major result of the paper is that the null hypothesis of no predictability can be rejected against an alternative hypothesis of predictability with Taylor rule fundamentals for a wide variety of specifications that include inflation and a measure of real economic activity in the forecasting regression. The results are robust to whether or not the coefficients on inflation and the real economic activity measure are constrained to be the same for the U.S. and the Euro Area and to whether or not there is interest rate smoothing. Evidence of predictability, however, is only found for specifications that do not include the real exchange rate in the forecasting regression. The evidence of predictability is stronger for real-time than for revised data, about the same with inflation forecasts as with inflation rates, and weakens if output gap growth is included in the forecasting regression. Bad news about inflation and good news about real economic activity both lead to out-of-sample predictability through forecasted exchange rate appreciation.

"Real-Time Exchange Rate Predictability with Taylor Rule Fundamentals", February 2008

Abstract: This paper revisits the long-standing Meese and Rogoff puzzle by examining exchange rate predictability with Taylor rule fundamentals and real-time data. Most of the existent literature on exchange rate predictability uses historical data which, because it was not available to the public at the time the forecasts were made, cannot be used to evaluate out-of-sample predictability. Furthermore, most studies of out-of-sample exchange rate forecasting still use 1970's vintage monetary models. In this paper, I evaluate short-horizon exchange rate predictability using real-time data and Taylor rule fundamentals for 9 OECD currencies, plus the Euro, vis-à-vis the U.S. dollar during the last decade and find strong evidence of exchange rate predictability at the 1-month horizon for 8 out of 10 exchange rates and weak evidence of predictability for the remaining 2 exchange rates. In order to understand how market participants form their exchange rate forecasts, I examine the implications of using different types of real-time data. The evidence of exchange rate predictability is stronger with current-vintage real-time data, which consist of all information available at any given month, than with first-release real-time data, which contain only new information about macroeconomic fundamentals. It is stronger with symmetric Taylor rule models, where the real exchange rate does not appear in the foreign country's Taylor rule, than with asymmetric models that contain an element of real exchange rate targeting.