

**MAXIME SAUZET**

[msauzet@berkeley.edu](mailto:msauzet@berkeley.edu)

<https://sites.google.com/view/maximesauzet>

**BUSINESS ADDRESS:**

Department of Economics  
530 Evans Hall, #3880  
Berkeley, CA 94720-3880

**DESIRED RESEARCH AND TEACHING FIELDS:**

PRIMARY

International Finance and Macroeconomics  
Asset Pricing  
Macroeconomics

SECONDARY

Machine Learning Methods

**FIELDS OF CONCENTRATION:**

Finance, International Economics, Macroeconomics

**DISSERTATION TITLE:** "Asset Pricing and Portfolio Choice in an International Context"

Expected Date of Completion:

May 2021

Principal Advisor:

Professor Pierre-Olivier Gourinchas

Other References:

Professors Nicolae Gârleanu, Martin Lettau, H el ene Rey, J on Steinsson

**PRE-DOCTORAL STUDIES:**

SciencesPo Paris,  cole Polytechnique, ENSAE  
INSA Lyon, France

**DEGREE DATE FIELD**

M.Sc.	2014	Economics, Public Policy ( <i>Summa Cum Laude</i> )
M.Eng.	2011	Computer Science ( <i>Honors</i> )

**PAPERS:**

- **Asset Prices, Global Portfolios, and the International Financial System.** *Job Market Paper, 2020.*

*Abstract:* I characterize the global solution to the international portfolio problem in full generality, a long-standing open issue in international finance. In this two-country two-good environment, investors have recursive preferences and a bias in consumption towards their local good. The framework highlights the role of the allocation of wealth across international investors for portfolios, asset prices, and risk sharing, an aspect that had received little emphasis in such a setting. The influence of the allocation of wealth grows especially as markets become imperfectly integrated, and as investor heterogeneity rises – be it through a larger home bias in consumption, the introduction of labor income, or asymmetries in preferences – to the point where it can match or surpass the impact of fundamentals. The framework lends itself to several applications and extensions. In particular, I show that it can replicate a number of facts about the structure and dynamics of the international financial system, and of asset returns in that context.

- **Global Real Rates: A Secular Approach** (with Pierre-Olivier Gourinchas and H el ene Rey). *Working Paper, 2020.*

*Abstract:* The current environment is characterized by low real rates and by policy rates close to or at their effective lower bound in all major financial areas. We analyze these unusual economic conditions from a secular perspective using data on aggregate consumption, wealth and asset returns. Our present-value approach decomposes fluctuations in the global consumption-to-wealth ratio over long periods of time and show that this ratio anticipates future movements of the global real risk-free rate. Our analysis identifies two historical episodes where the consumption-to-wealth ratio declined rapidly below its historical average: in the roaring 1920s and again in the exuberant 2000s. Each episode was followed by a severe global financial crisis and depressed real rates for an extended period of time. Our empirical estimates suggest that the world real rate of interest is likely to remain low or negative for an extended period of time.

- **Projection Methods via Neural Networks for Continuous-Time Models.** *In preparation, 2020.*

*Abstract:* I extend traditional projection methods by using neural networks as a function approximator to solve continuous-time models. The method is well-suited for high-dimensional settings such as those that arise in the presence of many assets. It is designed to accommodate multiple unknown functions, e.g. multiple value functions, so that it is set to tackle economies with several agents and incomplete markets.

- **Global Asset Manager, and the Global Financial Cycle.** *In preparation, 2020.*

*Abstract:* I bring intermediary asset pricing to an international portfolio choice context by introducing a global asset manager in the framework of Sauzet (2020, JMP). The presence of the global asset manager helps capture additional dimensions of the Global Financial Cycle.

**PUBLICATIONS:**

- **The International Monetary and Financial System** (with Pierre-Olivier Gourinchas and H el ene Rey).

*Annual Review of Economics*, vol. 11, 2019.

*Abstract:* International currencies fulfill different roles in the world economy, with important synergies across those roles. We explore the implications of currency hegemony for the external balance sheet of the United States, the process of international adjustment, and the predictability of the US dollar exchange rate. We emphasize the importance of international monetary spillovers and of the exorbitant privilege, and we analyze the emergence of a new Triffin dilemma.

**PROFESSIONAL EXPERIENCE:****RESEARCH:**

Research Assistant, Department of Economics, U.C. Berkeley  
Professor Pierre-Olivier Gourinchas (Summer 2016, 2017, 2019, 2020).  
Professor Yuriy Gorodnichenko (Summer 2016).  
PhD Trainee, European Central Bank, DGI, International Policy Analysis Division (2018).  
Research Assistant, Department of Economics, SciencesPo Paris  
Professor Nicolas Coeurdacier (2014-2015).

**TEACHING:**

Teaching Assistant, U.C. Berkeley  
Haas School of Business: Empirical Methods in Finance (MFE), Macroeconomics in the Global Economy (MBA).  
Department of Economics: Introduction to Economics, Intermediate Macroeconomics, Graduate Macroeconomic Theory.

**OTHER:**

Short-term positions: Accenture, French Economic Observatory (OFCE), Atos Worldline, École des Mines de Saint-Étienne.

**FELLOWSHIPS AND AWARDS:**

2015 – Pres. Departmental Scholarship, University of California, Berkeley.  
2018 Outstanding Graduate Student Instructor Award (awarded to top 10% of GSIs).  
2017 Princeton Initiative: Macro, Money and Finance.  
2015 – 2016 Hal R. Varian Fellowship, University of California, Berkeley.  
2014 Best Master Thesis for 2013-2014, and Graduate Scholarship, SciencesPo Paris, Polytechnique, ENSAE.  
2010 *Global E<sup>3</sup>* Student (Engineering Education Exchange) at NJIT, Institute of International Education.  
2006 – 2011 Merit Scholarship, INSA Lyon, French Government.

**REFEREEING:**

*American Economic Review, Journal of International Economics.*

**OTHER INFORMATION:**

Programming: Python, Matlab, Mathematica, Stata, SQL, R, Dynare, EViews. Previously: C/C++, Java, VBA, HTML, *etc.*  
Languages: English (fluent), French (native), Spanish (intermediate), German (beginner), French Cued Speech (spoken).  
Citizenship: France.