

LINXI CHEN

213 Social Sciences Building
419 Chapel Drive
Box 90097
Durham, NC 27708, USA

Email: linxi.chen@duke.edu
Homepage: sites.duke.edu/linxichen
Phone: (+1) 919 768 2272
Latest Version: [Download](#)

EDUCATION

Ph.D. in Economics	Duke University, (Expected) 2018
M.A. in Economics	Duke University, 2012
B.A. in Economics	Sun Yat-sen University, 2010
Exchange Student	The University of Hong Kong, 2008

RESEARCH INTERESTS

Macroeconomics, Applied Time Series Econometrics, Computational Economics

JOB MARKET PAPER

Asymmetric Inventory Dynamics and Product Market Search

Abstract: Why does inventory investment on average account for 72% of GDP decline during recessions but only 8% during expansions? Why does the aggregate inventory-sales ratio cease to be countercyclical since the 1990s but still lag GDP for four quarters? These newly documented stylized facts pose challenges to existing macroeconomic inventory models and cast doubts on important conclusions drawn from these models. In this paper, I show that incorporating product market search friction into a standard inventory model can address these stylized facts. Product market search enhances firms' asymmetric trade-off between accumulating inventory and adjusting markup, and thereby generates strongly asymmetric shares of inventory investment in GDP movements. Product market search also generates the lagging inventory-sales ratio because households' procyclical effort to search for varieties increases(decreases) sales as well as inventory stock at the early stage of expansions(recessions). Its effects, however, are later eclipsed by heightened(lowered) return on holding inventory which only increases(decreases) inventory stock but not sales. The model is disciplined by micro evidence provided by recent empirical studies, and its behavior is consistent with inventory and business cycle stylized facts in the US. Additionally, the model is broadly consistent with observed business cycle asymmetries in output, employment, and markup.

WORKING PAPERS

What Does Inventory Tell Us About Business Cycle Regimes? Evidence from a Markov-switching Vector Autoregression

Investment Lumpiness and Investment Goods Price
with Yang Yu (SHUFE)

Quantifying China's Supply-Side Structural Reform
with Ding Ding (IMF), Rui Mano (IMF)

ACADEMIC EXPERIENCE

Research Assistant

- | | |
|---|-------------------|
| • Prof. Cosmin Ilut (Duke Economics) | Aug 2015–May 2016 |
| • Prof. Juan Rubio-Ramirez (Duke Economics) | May 2013–May 2015 |
| • Prof. Daniel Xu (Duke Economics) | May 2013–Aug 2013 |
| • Prof. Daniel Chen (Duke Law School) | Mar 2011–Sep 2011 |

Teaching Assistant

- International Finance, *Prof. Cosmin Ilut, Duke Economics* Fall 2012, Fall 2015
- Pricing, *Prof. Wilfred Amaldoss, Duke's Fuqua School of Business School* Fall 2012
- Principles of Economics, *Prof. Sun Qunyan, Sun Yat-sen University* Fall 2007

Visiting Scholar

- *Federal Reserve Bank of Philadelphia* Jan 2014

INVITED PRESENTATIONS

IMF APD Discussion Forum

Paper: *Quantifying China's Supply-Side Structural Reform* Washington D.C., Sep 2017

The 25th Annual Symposium of the Society for Nonlinear Dynamics and Econometrics

Paper: *Asymmetric Inventory Dynamics and Business Cycle Fluctuations* Paris, Mar 2017

The Asian Meeting of the Econometric Society

Paper: *Investment Lumpiness and Investment Goods Price* Kyoto, Aug 2016

PROFESSIONAL EXPERIENCE

International Monetary Fund

Asia and Pacific Department

Fund Internship Program
Washington D.C., Jun 2017–Aug 2017

Deutsche Bank

Global Market Division

Assistant Researcher
Hong Kong, Aug 2009–Nov 2009

GHK International

Manila Office

Assistant Consultant
Manila, July 2009–Aug 2009

AWARDS

- Graduate School Conference Travel Grant, Duke University, 2017
- Competitive Research Fellowship, Duke University, 2014–2016
- Exceptional Undergraduate Research Award, Sun Yat-sen University, 2008
- Fungs' Fellowship, Victor and William Fung Foundation, 2008
- University Scholarship, Sun Yet-sen University, 2007–2009

SKILLS

Programming: C++, CUDA C, CUDA Thrust, Stata, MATLAB, Julia, UNIX/Linux

Document: \LaTeX , Word, Powerpoint, Excel

Others: Cluster Maintenance, Git, Vim, Emacs

Language: English (fluent), Mandarin (native), Cantonese (native)

REFERENCES

Juan F. Rubio-Ramirez

Department of Economics
Emory University
Phone: +1 (404) 727 6364
Email: jrubior@emory.edu

Cosmin Ilut

Economics Department
Duke University
Phone: +1 (919) 660 1817
Email: cosmin.ilut@duke.edu

Craig Burnside

Economics Department
Duke University
Phone: +1 (919) 660 1808
Email: craig.burnside@duke.edu