Wan-Jung Hsu

Department of Economics, University of Washington
Savery Hall 305, Box 353330, Seattle , WA 98195-3330
wjh5@uw.edu +1-206-619-1581

EDUCATION

Ph.D. in Economics, University of Washington, Seattle, WA (expected 2016/6)
M.A. in Economics, National Taiwan University, Taipei, Taiwan, 2006/6
B.A. in Public Finance (major), National Chengchi University, Taipei, Taiwan, 2004/6
in Management Information Systems (minor)

RESEARCH FIELD

Primary: Financial Economics
Secondary: Time series econometrics, Empirical Macroeconomics,

DISSERTATION

Title: "Essays on predicting states of the stock market and the economy"

WORKING PAPER

"Predicting and Capitalizing on Two Types of Stock Bear Markets in the U.S." *(Job Market Paper)*

WORK IN PROGRESS

"Predicting Recessions with Stock Bad Bear Markets"

TEACHING EXPERIENCE

Teaching Assistant
Department of Economics, University of Washington
Introduction to Microeconomics, Fall 2012, Winter 2013
Introduction to Macroeconomics, Fall 2011,Winter 2012

RESEARCH EXPERIENCE

Research Assistant
Runstad Center for Real Estate Studies, University of Washington, 2012/4 -12, 2013/10-2014/8

Researcher
Economic Analysis Dept., Central Bank of Republic of China (Taiwan), 2006/7-2009/7

SKILLS

Software: extensive experiences with R, Matlab, Microsoft Office; experience with Stata, GAUSS, SAS, Eviews, SPSS
Programming: experience with Java, C++

PERSONAL INFORMATION

Citizenship: Taiwan
Language: English (fluent), Chinese (native)

REFERENCES

Eric Zivot (Co-Chair)
Department of Economics
University of Washington
Seattle, WA 98195
ezivot@uw.ed, 206-543-6715

Levis Kochin (Co-Chair)
Department of Economics
University of Washington
Seattle, WA 98195
lakochin@uw.edu, 206-543-5845

Chang-Jin Kim
Department of Economic
Department of Economic
Seattle, WA 98195
Changjin@uw.edu, 206-685-1382

Thomas Gilbert
Michael G. Foster School of Business
University of Washington
Seattle, WA 98195
gilbertt@uw.edu 206-543-7472

Wan-Jung Hsu

"**Predicting and Capitalizing on Two Types of Stock Bear Markets in the U.S.**" *(Job Market Paper)*

Forecasting the states of the stock market is of interest to policy makers and investors. Different from previous literature that classifies the stock market into binary states (bull and bear markets), I further classify U.S. stock bear markets into good bear and bad bear markets. The latter are the bear markets associated with contraction phases of future cash flows, while the former are not. Most bad bear market states are accompanied by NBER declared recessions, whereas good bear markets are not accompanied by serious depressions in the real economy. Commonly used macroeconomic predictors also signal differently in forecasting these two types of bear markets. The value premium has distinct magnitude across the two types of bear markets. By applying a multinomial logit model with three alternatives (i.e., bull, good bear, and bad bear markets) to predict stock market states, I provide richer information about stock market states which is beneficial for policy makers and investors.

"**Predicting Recessions with Bad Bear Markets**" *(work in progress*)

This study extends Hsu (2015) to examine the reliability and timeliness of using stock bad bear markets as early warning signals of economic recessions. It finds that bad bear markets based on Hsu (2015) classification are much more reliable to predict recessions than conventional stock bear markets or the forecasting model that targets recessions directly. The forecasting model that predicts bad bear markets also provides timely information in the starts and the ends of economic recessions over NBER announcements.