

## **SARA F. FILIPE**

2217 Ridge Avenue, Apt. 2B  
Evanston, IL 60201

Home: 847-859-2168  
Cell: 847-208-0920

E-mail: [saraferreira2010@u.northwestern.edu](mailto:saraferreira2010@u.northwestern.edu)

Web: [www.depot.northwestern.edu/~fsf811/indexjm.html](http://www.depot.northwestern.edu/~fsf811/indexjm.html)

### **RESEARCH AND TEACHING FIELDS**

Research: Financial Economics, Macroeconomics, International Finance  
Teaching: Financial Economics, Macroeconomics

### **DOCTORAL STUDIES**

Ph.D., Economics, Northwestern University, Evanston, Illinois  
Dissertation: "Cross-market impacts: the role of U.S. equity market in explaining exchange rate dynamics"  
Committee Chairperson: Professor Martin Eichenbaum  
Date of Completion: July 2010 (expected)

### **PREDOCTORAL STUDIES**

B.A.: Economics, Portuguese Catholic University, Lisbon, Portugal, 2002  
M.A.: Economics, Northwestern University, Evanston, IL, 2006

### **FELLOWSHIPS AND AWARDS**

Doctoral Fellowship, Foundation for Science and Technology (FCT), 2006 – present  
Graduate School Scholarship, Northwestern University, 2005 – present  
Doctoral Fellowship, Foundation Calouste Gulbenkian, 2005  
Academic Excellence Award, Portuguese Central Bank, 2002  
Award for Top Academic Performance, Portuguese Catholic University, 2002  
Undergraduate Scholarship, Portuguese Catholic University, 1998 – 2002

### **TEACHING EXPERIENCE**

Teaching Assistant (undergraduate level), Portuguese Catholic University, 2002 – 2005  
Intermediate Macroeconomics (Prof. Isabel H. Correia)  
Advanced Macroeconomics (Prof. Bernardino Adão)  
Intermediate Microeconomics (Prof. Fernando Branco)  
Advanced Microeconomics (Prof. Teresa L. Braga)  
Intermediate Statistics (Prof. Ana Canhoto)  
Advanced Statistics (Prof. Manuel L. Monteiro)  
Teaching Assistant (MBA level), Portuguese Catholic University, 2003– 2005  
Public Finance (Prof. Aníbal C. Silva)

### **RESEARCH EXPERIENCE**

Research Assistant to Professor Sérgio Rebelo, Kellogg School of Management, 2007  
Research Assistant to Professor Robert Korajczyk, Kellogg School of Management, 2007  
Research Assistant to Professor Fernando Branco, Portuguese Catholic University, 2003

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**JOB MARKET PAPER**

“Equity Order Flow and Exchange Rate Dynamics”

**Abstract:** This paper investigates the cross-market impact of U.S. equity order flow on exchange rates. Order flow is defined as the difference between buyer-initiated and seller-initiated trades. To compute it, I use a unique sample of intraday trading data for over fifteen years. My main findings can be summarized as follows: (i) there is a highly significant correlation between U.S. stock order flow and exchange rate changes; (ii) this correlation is stronger at higher frequencies and during more volatile periods; (iii) for most currencies the correlation is positive, i.e. an increase in order flow leads to an appreciation of the U.S. dollar; (iv) for “commodity countries”, namely Australia, Canada, New Zealand and South Africa, the correlation is negative.

I argue that, for non-commodity countries, the effect of order flow is consistent with the portfolio rebalancing channel emphasized by Hau and Rey (2004). An increase in order flow is associated with an increase in purchases of U.S. stocks by foreigners. The rise in foreign purchases raises the demand for U.S. dollars. As a result the U.S. dollar appreciates.

Empirically, an increase in order flow is not associated with an increase in the net purchase of U.S. stocks by agents from commodity countries. Moreover, an increase in order flow is associated with an increase in commodity prices. I interpret this positive correlation as reflecting the rise in the demand for commodities on the part of U.S. agents. The rise in demand leads to an appreciation of the commodity currencies.

**OTHER PAPERS AND WORK IN PROGRESS**

“Liquidity Risk and Currency Speculation”, in progress

“Do terms-of-trade explain trade agreement creation? Evidence from the Methuen Treaty”, 2007

**PERSONAL INFORMATION**

Age: 28

Marital status: Single

Citizenship: Portugal

**REFERENCES**

Professor Martin Eichenbaum  
Department of Economics  
Northwestern University  
Evanston, IL 60208  
*Phone:* 847-491-8232  
*E-mail:* eich@northwestern.edu

Professor Sérgio Rebelo  
Kellogg School of Management  
Northwestern University  
Evanston, IL 60208  
*Phone:* 847-467-2329  
*E-mail:* s-rebelo@kellogg.northwestern.edu

Professor Arvind Krishnamurthy  
Kellogg School of Management  
Northwestern University  
Evanston, IL 60208  
*Phone:* 847-491-2671  
*E-mail:* a-krishnamurthy@kellogg.northwestern.edu