José Lores Diz

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Education

PhD in Economics, Finance and Management 2023 – Present
Universitat Pompeu Fabra, Barcelona

Master of Research in Economics, Finance and Management (2024–2025)
MSc in Economics and Finance, Barcelona School of Economics (2023–2024)

MSc in Economics 2021 – 2023
University of Bonn, Germany

BA in Economics 2017 – 2021
University of Santiago de Compostela, Spain

Research and Teaching Fields

- *Primary:* Macroeconomics, Heterogeneous Agents, Market Power
- *Secondary:* Computational Methods

Research Papers

The Effect of Market Power on the Risk-Free Rate
With Shubhdeep Deb and Jan Eeckhout

We study how market power affects the risk-free rate when monopoly profits are capitalized into risky equity. Our key contribution is to show that the risk of capitalized profits is crucial for the effect of market power on interest rates. We develop a continuous-time model in which heterogeneous households face labor-income and equity-return risk and allocate wealth between safe debt and risky equity. Higher markups reduce exposure to labor-income risk but increase exposure to equity risk, generating opposing effects on precautionary demand for safe assets. We quantify the model to match key moments of the U.S. economy between 1984 and 2020: First, the model reproduces much of the decline in the risk-free rate, where the increase in exposure to risky equity plays a key role; second, rising market power contributes to 2.91 of the 5.43 percentage-points decline in the risk-free rate; third, household risk and heterogeneity amplify the welfare cost of rising markups: the consumption-equivalent loss is 14.51% in the full model, compared with 5.63% in a representative-household benchmark without risk. Our results show that the riskiness of capitalized profits is central to whether market power raises or lowers the risk-free rate and how large the welfare costs of markups are.

Exchange Rates according to the Limiting Cycle
With Shengliang Ou and Donghai Zhang

We document that exchange-rate cyclical components repeatedly align with their eight-year lags, consistent with limit-cycle theory: without shocks, the economy returns to the same state after a fixed interval. This motivates a limit-cycle benchmark that forecasts exchange-rate changes using the same-horizon change at the corresponding phase of the preceding cycle. Like the random walk, a benchmark long considered difficult to outperform, it uses only exchange-rate history, without macroeconomic or financial predictors. It lowers out-of-sample mean squared forecast errors relative to the random walk for most of the twenty currencies in our sample at twelve-, sixteen-, and twenty-quarter horizons.

Teaching Assistant Experience

Computational Macroeconomics — Edouard Schaal (UPF, PhD) 2026

Advanced Macroeconomics III — Jordi Galí & Priit Jeenas (BSE, PhD) 2026

Advanced Macroeconomics I — Andrea Caggesse (UPF, Undergraduate) 2025

Econometrics I — Javier Abellán (UPF, Undergraduate) 2025

Research Assistant Experience

PI: Jan Eeckhout 2025
Project: *MARKET POWER* (link)

PI: Dmitry Kuvshinov Summer 2024
Project: *SAFECRISES* (link)

PI: Donghai Zhang 2022 – 2023
Project: Information Frictions, Central Bank Communication, and Monetary Policy (link)

PI: Clara Brandi 2022
Project: Fair Globalization II at IDOS.

Academic Awards and Grants

PhD Scholarship 2026-2030
Awarded by Fundación Ramón Areces, 148,000 euros

Outstanding Graduate Award (BA Economics) 2022
University of Santiago de Compostela

Top Records, University Access Tests in Galicia 2017

Presentations at Seminars and Conferences

BSE PhD Jamboree, CREI macro lunch seminar, Theories and Methods in Macro (T2M), European Economic Association (EEA), Madrid Macro Mountain (Poster). 2026

Summer Schools

Princeton Initiative: Macro, Money and Finance 2026
Bendheim Center of Finance, Princeton University

Goethe Heterogeneous Agent workshop 2026
Goethe University, Frankfurt

Deep Learning Summer School and Conference 2025
University of Turin

Data Science for Economics, Mastering Unstructured Data 2024
Centro de Estudios Monetarios y Financieros (Cemfi)

Skills

Languages: Galician (Native), Spanish (Native), English (C1), Catalan (A1)

Programming: Python (Pandas, NumPy, Pyplot, SciPy, Jax, PyTorch), MATLAB (dynare), Julia, Stata

Miscellaneous: Machine Learning, Deep Learning, NLP, Heterogeneous Agents Models