

Xinxin Hu

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[Email](#) | [Website](#)

RESEARCH INTERESTS

Macro-finance; Asset pricing; Monetary policy transmission.

ACADEMIC APPOINTMENTS

Fordham University, Gabelli School of Business

New York, NY

Assistant Professor of Finance, 2026–present

EDUCATION

University of Wisconsin–Madison, Wisconsin School of Business

Madison, WI

Ph.D. in Finance, 2026

Dissertation: *Monetary Policy and Volatility*

Advisors: Hengjie Ai (chair), Sang Byung Seo, Ivan Shaliastovich (co-chair)

University of Minnesota, Carlson School of Management, Department of Finance

Minneapolis, MN

Ph.D. studies in Finance (transferred to UW–Madison), Sep 2019–Jun 2021

University of Illinois Urbana–Champaign (UIUC), Gies College of Business

Champaign, IL

Master of Science in Finance (M.S. in Finance), Sep 2017–Dec 2018

Renmin University of China, School of Economics

Beijing, China

B.A. in International Economics, 2006–2010

WORKING PAPERS

Monetary Policy and Volatility

This paper provides empirical evidence that the effectiveness of monetary policy transmission depends negatively on volatility and develops a general equilibrium model to quantify this relationship. In the cross section, firms with higher return volatility exhibit weaker responses to monetary policy shocks in both capital investment and equity prices. Similarly, in the time series, the stock market and aggregate investment are less responsive to monetary policy shocks when aggregate volatility is high. The key economic mechanism that determines investment on financial markets is the risk-return tradeoff. When volatility is high, investors are less sensitive to changes in expected returns. I develop a two-sector general equilibrium model with price rigidity and endogenous growth to quantify the relationship between volatility and the strength of monetary policy transmission.

Nominal Rigidity and the Inflation Risk Premium (with Hengjie Ai and Xuhui (Nick) Pan)

Inflation risk premium is hard to identify in the data, because inflation induced by real shocks and that by nominal shocks carry risk premiums with opposite signs. We show that in the Calvo model of price rigidity, a firm's exposure to inflation risk—induced by monetary policy—is a monotonic function of its profit margin. Using profit margin sorted portfolios around pre-scheduled FOMC announcements, we identify an inflation risk premium from the cross-section of equity returns that supports the Calvo mechanism of price adjustment. We also develop a continuous-time Calvo model to guide our empirical analysis and provide an explanation for the inflation risk premium observed in the data.

A Model of the Fed Information Effect (with Hengjie Ai)

A significant fraction of measured surprise central bank interest rate hikes is associated with simultaneous stock market run-ups and upward revisions in economic growth forecasts. This evidence is often interpreted as contradicting the standard New Keynesian transmission mechanism and as indicating that the Fed possesses superior information about economic fundamentals. We present a New Keynesian model in which investors are uncertain about the Fed's long-run monetary policy objectives and learn from observed Fed actions. Our model does not assume that the Fed has superior

information, but it nonetheless generates a “Fed information effect,” that is, a positive co-movement between interest rate surprises, revisions in expected growth, and stock returns as an equilibrium outcome. We show that the key predictions of our model are consistent with empirical evidence on asset market responses to measured Fed information shocks.

RESEARCH EXPERIENCE

Research Assistant to Prof. Hengjie Ai, UW–Madison Summers 2022–2025

TEACHING

University of Wisconsin–Madison

Teaching Assistant:

ECON 735: Ph.D. Course in Monetary Theory Spring 2026

FIN 920: Ph.D. Course in Asset Pricing Fall 2023, 2024

FIN 325/725: Corporate Finance (Undergraduate/Master’s) Spring 2022, 2023, 2024, 2025

FIN 320: Investment Theory Fall 2021, 2022

HONORS & AWARDS

University of Wisconsin–Madison, Wisconsin School of Business

WSB Dean’s Naming Fund Fellowship 2021–2026

Dissertation Fellowship Fall 2025

University of Minnesota, Carlson School of Management

Summer Paper Fellowship Summer 2020, 2021

SEMINARS & CONFERENCES

Presentations:

Western Finance Association (WFA), Denver 2026

SFS Cavalcade North America, University of Virginia Darden 2026

Midwest Finance Association (MFA)* 2025

European Finance Association (EFA)* 2025

Advances in Macro-Finance Tepper-LAEF Conference (CMU)* 2024

UT Dallas Finance Conference* 2024

SFS Cavalcade Asia-Pacific* 2024

UW–Madison Finance Brownbag 2023, 2024, 2025

*Presented by co-authors

PROFESSIONAL SERVICE

Referee: Management Science

TECHNICAL SKILLS

Model Computation: MATLAB, Python **Data Processing:** SAS, Stata