Research

My research examines business-cycle dynamics through the lens of firm profits, inflation transmission, and expectations formation, with an emphasis on transparent mechanisms, empirical discipline, and quantitative relevance. These lines of research form a coherent agenda aimed at understanding how micro-level frictions shape aggregate fluctuations.

Firm profit. What role do profit dynamics play in shaping fluctuations in productivity, output, and inflation? In Qiu and Ríos-Rull (2025), we show that the positive comovement between profit margins and capacity utilization is rationalized by a product-market search friction. Merchants with high demand attract more customers and raise occupancy, generating comovement in demand, productivity, and margins. This mechanism is disciplined using Compustat data and a shift–share instrument for demand, and externally validated through direct occupancy evidence and differential patterns across perishable versus storable sectors. Quantitatively, the framework requires smaller productivity shocks, rationalizes countercyclical labor shares and procyclical consumption under IST shocks, produces acyclical markups, and implies a flattening of the Phillips curve.

Inflation transmission. How does inflation emerge within an interconnected economy and transmit into real activity? In Qiu, Wang, Xu and Zanetti (2025), we derive an index that links sectoral inflation to the output gap. We show that the link is stronger in sectors that are more important suppliers of domestic intermediate inputs and whose associated domestic labor income is more exposed to cross-border expenditure switching. Accordingly, monetary policy that stabilizes the output gap can be implemented by stabilizing the corresponding inflation index.

Expectations formation. How do households and firms form expectations about the future, and how do systematic misperceptions propagate business-cycle dynamics? In Qiu (2023), I develop a method to detect belief distortions in Linear–Gaussian settings. When perceived and actual laws of motion coincide, the cross-covariance between forecasts and realizations is symmetric. Models with information rigidity, overconfidence, diagnostic expectations, or imperfect memory preserve this symmetry, whereas extrapolation, cognitive discounting, oversimplified learning, and level-k reasoning generate asymmetric patterns. Applying the method to expectations survey data, I uncover systematic asymmetries consistent with extrapolative beliefs and cognitive discounting.

Research agenda. My future work will advance these directions while further integrating their insights. First, I will study how profit cycles shape investment, employment, and inflation using firm- and industry-level data. Second, I plan to investigate whether imported inflation behaves more like markup-driven or productivity-driven inflation in terms of the misallocations it generates, building on the approach developed in Qiu et al. (2025). Third, I aim to characterize how misperceived laws of motion differ from other belief distortions in propagating business-cycle dynamics, leveraging survey expectations data to evaluate their macroeconomic implications. Together, these projects contribute to a unified understanding of how micro-level frictions interact to shape aggregate dynamics.

Teaching

Courses. I have taught macroeconomics at multiple levels, including introductory, intermediate, and graduate courses. I am prepared to teach both the business-cycle and economic-growth components of the macro sequence, as well as applied macroeconometrics and quantitative methods. My teaching approach emphasizes clarity, logical structure, and the integration of theory with empirical evidence.

Philosophy. I place strong emphasis on developing coherent and well-motivated course structures. In my master's course on growth and economic development, I organize the material in a unified progression—from endogenous convergence, to endogenous level differences, to endogenous long-run growth, and ultimately to a framework that integrates these patterns. In intermediate macroeconomics, I use a two-period, micro-founded New Keynesian framework to unify the "five-panel diagram," giving students a transparent general-equilibrium interpretation of business-cycle mechanisms and helping them connect graphical analysis with underlying model derivations.

Supervising. I have supervised several Ph.D. candidates, including one supported by Hong Kong Fellowship who is on the job market this year. I have also supervised undergraduate students on research projects. Several of my mentees have entered exchange programs at Columbia University or Ph.D. programs in both North America and Hong Kong. I place particular emphasis on helping students build research questions, develop model-driven reasoning, and connect theory with data.

Service

I served as a coordinator for the macroeconomics seminar series at City University of Hong Kong from 2019 to 2024. I also initiated and led a Ph.D. reading group from 2022 to 2024.

References

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