

LAUST LADEGÅRD SÆRKJÆR

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Citizenship: Denmark, born in 1996

Current Academic Position

PhD Student, Department of Economics and Business Administration Aarhus University.

Supervisors: Mark Weder and Giovanni Pellegrino

Education

2022-2025 (Expected) PhD in Economics, Aarhus University

2020-2022 MSc in Economics, Aarhus University

2017-2020 BSc in Economics and Management, Aarhus University

Research Interest

Macroeconomics, Monetary Economics, Macroeconomic Uncertainty, Nonlinear Methods, Markups

Research

The Inflation Uncertainty Amplifier, with E. Castelnuovo and G. Pellegrino.

[JOB MARKET PAPER]

Abstract: We study how uncertainty shocks affect the macroeconomy across the inflation cycle using a nonlinear stochastic volatility-in-mean VAR. When inflation is high, uncertainty shocks raise inflation and depress real activity more sharply. A nonlinear New Keynesian model with second-moment shocks and trend inflation explains this via an "inflation-uncertainty amplifier": the interaction between high trend inflation and firms' upward price bias magnifies the effects of uncertainty by increasing price dispersion. An aggressive policy response can replicate the allocation achieved under standard policy when trend inflation is low.

Monetary Policy Shocks and Narrative Restrictions: Rules Matter, with E. Castelnuovo and G. Pellegrino. [In progress]

Abstract: Restrictions on the policy coefficients in a vector autoregressive model can substantially sharpen the identification of monetary policy shocks achieved via narrative restrictions. We reach this conclusion by conducting extensive Monte Carlo simulations with a standard monetary policy model of the business cycle as our data generating process. We show that narrative restrictions dramatically improve the ability of (traditional) restrictions imposed on impulse responses to identify a monetary policy shock; restrictions on the policy rule coefficients improve identification even further. Working with US data, we show that policy coefficient restrictions imply a larger and more precisely estimated short-run response of output to a monetary policy shock than the one predicted by using only traditional and

narrative restrictions. This happens because policy coefficient restrictions work in favor of shifting the burden of matching unconditional moments in the data from the systematic policy rule to monetary policy shocks. Working with Euro area data, we show that policy coefficient restrictions sharpen the identification of the contemporaneous response of the corporate bond spread to a monetary policy shock.

Sentiment Shocks, Stock Market Mispricing, and the Business Cycle, with Martin M. Andreasen and Giovanni Pellegrino [In progress]

Abstract: This paper investigates the effects of sentiment-driven shocks originating in the stock market on the business cycle. Using a daily VAR model identified through a combination of narrative sign restrictions and zero restrictions, we isolate sentiment shocks associated with major stock market jumps that lack fundamental explanations according to daily newspaper coverage, as per the classification by Baker, Bloom, Davis, and Sammon (2021 NBER WP No. 28687). Our analysis reveals that, historically, stock market mispricing — measured as deviations of actual prices from fundamental values — has been procyclical, peaking at +40% before the dot-com bubble burst and bottoming during the Great Recession. Controlling for uncertainty shocks, we confirm that sentiment shocks are distinct and have substantial effects on real economic activity, underscoring the role of belief-driven mispricing for business cycle fluctuations.

Asymmetric Asset Purchase Shocks: QE and QT in the EA, with Marcel Stechert [In progress]

Abstract: This paper examines the potentially asymmetric effects of quantitative easing (QE) and quantitative tightening (QT) in the euro area. First we construct an instrument to identify large-scale asset purchase (LSAP) shocks in a daily structural vector autoregression (SVAR) framework for shock identification. Then we employ a nonlinear local projection model, allowing for differentiated effects of QE and QT shocks. This methodology provides insight into whether expansions and contractions in central bank balance sheets have distinct macroeconomic impacts, shedding light on the differential effects of monetary accommodation and normalization policies in the euro area.

The Rise of Superstars, Markup Fluctuations and Business Cycles, with Mark Weder [In progress]

Abstract: This project develops a Dynamic Stochastic General Equilibrium (DSGE) model featuring heterogeneous firms, categorized as either "superstars" or "ordinary" based on productivity levels, and dynamic competition to analyze business cycle dynamics. Using a Kimball aggregator, the model links firms' markups to their market shares, allowing us to examine how changes in the relative productivity of ordinary and superstar firms influence competitive dynamics. This tractable framework captures how productivity shifts impact markups and market structure, shedding light on the interplay between firm heterogeneity, competition, and aggregate economic outcomes. Our model provides insights into how evolving productivity distributions among firms may amplify or dampen macroeconomic fluctuations.

Presentations

- 2023 Annual Conference of the International Association for Applied Econometrics (IAAE 2023), Oslo
- 2024 31st Symposium of the Society for Nonlinear Dynamics & Econometrics (SNDE 2024), Padova

Visiting Academic Position

- 2024 2 weeks in March, University of Padova, Department of Economics and Management, host: Assistant Professor Giovanni Pellegrino
- 2025 February-May, Princeton University Visiting Student Research Collaborator, host: Professor Mikkel Plagborg-Møller

Teaching Experience

- 2024 Macroeconomics (BSc Econ, 2504: Makroøkonomi, 10 ECTS): 2 lectures on "Capital Accumulation and Economic Growth"
- 2023 Macroeconomics (BSc Econ, 2504: Makroøkonomi, 10 ECTS): 2 lectures on "Capital Accumulation and Economic Growth"
- 2023 Macroeconomics (BSc Econ, 2504: Makroøkonomi, 10 ECTS): Teaching Assistant
- 2022 Principles of Economics (BSc Econ, 1410: Økonomiske principper, 10 ECTS): Teaching Assistant
- 2019 Macroeconomics (BSc EBA, Makroøkonomi, 10 ECTS): Teaching Assistant

Relevant Training

- 2024 Euro Area Business Cycle Network Training School: Empirical Methods for Business Cycle Analysis by Christian Wolf (MIT)

Past Academic Position

- 2021-2022 Research Assistant, Aarhus University for Professor Timo Trimborn and Assistant Professor Claes Bäckman

References

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Assist. Prof. Giovanni Pellegrino
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Other

Programming: Matlab, R, Stata

Software: MS Office, LaTeX

Language: Danish (native), English (excellent), German (beginner)