

Ninth Macroeconomic Policy Research Workshop on

UNDERSTANDING FINANCIAL FRICTIONS

September 30- October 1, 2010

Organized by the Magyar Nemzeti Bank, in Collaboration with the Centre for Economic Policy Research

PROGRAM

SEPTEMBER 30, THURSDAY

08:30 – 08:45 REGISTRATION

(Magyar Nemzeti Bank, Address: Szabadság tér 8-9.)

08:45 – 09:00 WELCOME ADDRESS

Ferenc Karvalits (Deputy Governor, Magyar Nemzeti Bank)

Session 1

Chair: **László Halpern** (Institute of Economics, Hungarian Academy of Sciences)

09:00 – 09:50

Felipe Iachan (MIT): A monetary model of banking (joint with Abhijit Banerjee, MIT and CEPR, and Eric Maskin, IAS Princeton)

Discussant: Ákos Valentinyi (Cardiff and CEPR)

09:50 – 10:40

Filippo Taddei (Collegio Carlo Alberto): On the Inefficiencies of Cheap Credit (joint with Alberto Martin, CREI, UPF, CEPR)

Discussant: Andrea Canidio (Central European University)

10:40 – 11:00 COFFEE BREAK

11:00 – 11:50

Ralph de Haas (European Bank for Reconstruction and Development): The crisis as a wake-up call. Do banks tighten screening and monitoring during a financial crisis? (joint with Neeltje van Horen, Central Bank of the Netherlands)

Discussant: Kasper Roszbach (Sveriges Riksbank)

11:50 – 12:40

Refet S. Gürkaynak (Bilkent University and CEPR): Leverage of Financial Intermediaries and Cyclical Fluctuations (joint with Burçin Kisacikoglu, Bilkent University)

Discussant: Balázs Világi (MNB)

12:40 – 14:00 LUNCH

14:00 – 15:30

KEYNOTE SPEECH

Ricardo Caballero (MIT), On the Macroeconomics of an Uncertain Global Recovery

Session 2

Chair: **Péter Pete** (Eötvös Loránd University, Budapest)

15:30 – 16:20

Nicola Gennaioli (CREI, Universitat Pompeu Fabra and CEPR): Financial Innovation and Financial Fragility (joint with Andrei Shleifer, Harvard and Robert Vishny, University of Chicago)

Discussant: Peter Kondor (Central European University)

16:20 – 16:40 COFFEE BREAK

16:40 – 17:30

Alp Simsek (Harvard): Fire Sales in a Model of Complexity (joint with Ricardo Caballero, MIT)

Discussant: Adam Zawadowski (Boston University)

17:30 – 18:20

Katrin Rabitsch (Magyar Nemzeti Bank and Central European University): An Incomplete Markets Explanation to the UIP Puzzle

Discussant: Refet S. Gürkaynak (Bilkent University and CEPR)

20:00 DANUBE CRUISE WITH DINNER

OCTOBER 1, FRIDAY

Session 3

Chair: **Frank Smets** (ECB)

9:00 – 9:50

Martin Andreasen (Bank of England): The Business Cycle Implications of Banks' Maturity Transformation (joint with Marcelo Ferman, LSE, and Pawel Zabczyk, BoE and LSE)

Discussant: Peter Karadi (Magyar Nemzeti Bank)

9:50 – 10:40

Olivier Pierrard (Central Bank of Luxembourg and Catholic University of Louvain): Banking shock and monetary reactions in a New Keynesian model (joint with Gregory de Walque, National Bank of Belgium and University of Namur)

Discussant: Tommaso Monacelli (Università Bocconi, IGIER, and CEPR)

10:40 – 11:00 COFFEE BREAK

Session 4

Chair: **Márton Nagy** (Magyar Nemzeti Bank)

11:00 – 11:50

Egon Zakrajsek (Federal Reserve Board): Uncertainty, Financial Frictions, and Investment Dynamics (joint with Simon Gilchrist, Boston University, NBER and Jae W. Sim, FRB)

Discussant: Frank Smets (ECB and CEPR)

11:50 – 12:40

Alberto Martin (CREI, Universitat Pompeu Fabra and CEPR): Theoretical notes on bubbles and the current crisis (joint with Jaume Ventura, CREI, UPF and CEPR)

Discussant: Nobuhiro Kiyotaki (Princeton and CEPR)

12:40 – 14:00 LUNCH

14:00 – 15:30

KEYNOTE SPEECH

Nobuhiro Kiyotaki (Princeton and CEPR): Financial Intermediation and Credit Policy in Business Cycle Analysis (joint with Mark Gertler, NYU)

15:30 – 15:40 COFFEE BREAK

Session 5

Chair: **Júlia Király** (Deputy Governor, Magyar Nemzeti Bank)

15:40 – 16:30

Philippe Bacchetta (University of Lausanne and CEPR): The Demand for Liquid Assets and International Capital Flows (joint with Kenza Benhima, University of Lausanne)

Discussant: Robert Kollmann (ECARES, Université Libre de Bruxelles, CEPR)

16:30 – 17:20

Javier Bianchi (University of Maryland): Overborrowing, Financial Crises and 'Macro-prudential Taxes' in an Equilibrium Model of Business Cycles and Asset Prices (joint with Enrique G. Mendoza, University of Maryland)

Discussant: Kenza Benhima (University of Lausanne)

17:30 WINE TASTING