



TWELFTH JACQUES POLAK ANNUAL RESEARCH CONFERENCE
RESEARCH DEPARTMENT, IMF
NOVEMBER 10-11, 2011

Monetary and Macroprudential Policies

Venue: HQ2, Conference Hall 1

Thursday, November 10, 2011

8:00–8:45 am Registration and Continental Breakfast

8:45–9:15 am Opening Remarks – David Lipton, First Deputy Managing Director, IMF

9:15–10:45 am Session 1: Macroprudential Regulation: Implementation Issues and Side Effects

Chair: Nemat Shafik, Deputy Managing Director, IMF

Does Macro-Pru Leak? Empirical Evidence from a UK Natural Experiment

Shekhar Aiyar (IMF), Charles W. Calomiris (Columbia Business School), and Tomasz Wieladek (London Business School)

Discussant: Mark Flannery (University of Florida)

The Risk-Shifting Hypothesis: Evidence from Subprime Originations

Augustin Landier (Toulouse School of Economics), David Sraer (Princeton University) and David Thesmar (HEC)

Discussant: Amit Seru (Chicago Booth)

10:45–11:00 am

*****Coffee Break*****

11:00–12:30 pm Session 2: Monetary and Macprudential Policy: Lessons from and for a Currency Union

Chair: Ajai Chopra (Deputy Director, European Department, IMF)

The Low Monetary Rates Paradox, Banking Stability and Credit: Evidence from the Euro Area

Angela Maddaloni (European Central Bank) and José-Luis Peydró (Universitat Pompeu Fabra and Barcelona GSE)

Discussant: Sole Martinez Peria (World Bank)

Monetary and Macprudential Policy in an Estimated DSGE Model of the Euro Area

Dominic Quint (Free University Berlin) and Pau Rabanal (IMF)

Discussant: Jesper Lindé (Federal Reserve Board)

12:30–2:00 pm

*****Lunch*****

(By invitation only, HQ2, Conference Hall 2)

Luncheon Remarks – Jean-Pierre Landau, Deputy Governor, Banque de France

2:15–3:45 pm Session 3: Macprudential Policy and Capital Flow Management

Chair: Stijn Claessens (Assistant Director, Research Department, IMF)

Financial Frictions, Foreign Currency Borrowing, and Systemic Risk

Giovanni Dell’Ariccia (IMF), Luc Laeven (IMF), and Robert Marquez (Boston University)

Discussant: Tanju Yorulmazer (Federal Reserve Bank of New York)

Bubble Thy Neighbor: Direct and Spillover Effects of Capital Controls

Kristin Forbes (MIT), Marcel Fratzscher, Thomas Kostka, and Roland Straub (all European Central Bank)

Discussant: Eswar Prasad (Cornell University)

3:45–4:00 pm

*****Coffee Break*****

4:00–5:30 pm Mundell-Fleming Lecture “Global Banking Glut and Loan Risk Premium”

Hyun Song Shin (Princeton University)

Introduction by: Olivier Blanchard (Economic Counsellor and Director, Research Department, IMF)

Friday, November 11, 2011

8:15–9:00 am Registration and Continental Breakfast

9:00–10:30 am Session 4: Optimal Design of Monetary and Macroprudential Policies

Chair: José Viñals (Financial Counsellor and Director, Monetary and Capital Markets Department, IMF)

Macro-prudential Policy in a Fisherian Model of Financial Innovation

Javier Bianchi (New York University and University of Wisconsin-Madison), Emine Boz (IMF) and Enrique Mendoza (University of Maryland)

Discussant: Dan Cao (Georgetown University)

Monetary and Macro-Prudential Policies: An Integrated Analysis

Gianluca Benigno (London School of Economics), Huigang Chen (MarketShare Partners), Christopher Otrok (University of Missouri-Columbia), Alessandro Rebucci (IADB), and Eric R. Young (University of Virginia)

Discussant: Olivier Jeanne (Johns Hopkins University)

10:30–10:45 am *Coffee Break*****

10:45–1:00 pm Session 5: Monetary Policy, Bank Liquidity and Counterparty Risk

Chair: Stijn Claessens (Assistant Director, Research Department, IMF)

A Theory of Bank Liquidity Requirements

Charles Calomiris (Columbia University), Florian Heider (European Central Bank), and Marie Hoerova (European Central Bank)

Discussant: Lev Ratnovski (IMF)

A Pigovian Approach to Liquidity Regulation

Enrico C. Perotti (University of Amsterdam) and Javier Suarez (CEMFI)

Discussant: Tobias Adrian (Federal Reserve Bank of New York)

Clearing, Counterparty Risk and Aggregate Risk

Bruno Biais (Toulouse School of Economics), Florian Heider (European Central Bank, and Marie Hoerova (European Central Bank)

Discussant: Ana Fostel (George Washington University)

1:00–2:30 pm *Lunch*****

(By invitation only, HQ2, Conference Hall 2)

2:45–4:30 pm Economic Forum: Monetary and Macprudential Policies: Challenges and Solutions

Moderator: Olivier Blanchard, Economic Counsellor and Director, Research Department, IMF

Panelists:

1. **Lewis Alexander (Nomura)**
2. **Joe Gagnon (Peterson Institute of International Economics)**
3. **Andrew Lo (MIT)**
4. **John Williams (Federal Reserve Bank of San Francisco)**

Conference Organizing Committee: Natalia Tamirisa (Chair), Emine Boz, Giovanni Favara, Ayhan Kose, Rafael Portillo and Lev Ratnovski (all IMF), and Pierre-Olivier Gourinchas (Editor of the *IMF Economic Review*, University of California, Berkeley). Olivier Blanchard and Stijn Claessens provided general guidance.

Conference Coordinators: Tracey Lookadoo and Sumit Aneja