

NINETEENTH JACQUES POLAK ANNUAL RESEARCH CONFERENCE

INTERNATIONAL SPILLOVERS AND COOPERATION

November 1-2, 2018

International Monetary Fund, Headquarters 2

Conference Hall 1, 1900 Pennsylvania Avenue, Washington, D.C.

Thursday, November 1, 2018

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

9:00–9:15 am Opening Remarks – David Lipton (First Deputy Managing Director, IMF)

9:15–10:45 am Session 1: Capital Flows, Risk Taking and Macprudential Regulation

Chair: Tobias Adrian (Financial Counsellor and Director, Monetary and Capital Markets Department, IMF)

Searching for Yield Abroad: Risk-Taking through Foreign Investment in U.S. Bonds

John Ammer (Federal Reserve Board), Stijn Claessens (Bank for International Settlements), Alexandra Tabova (Federal Reserve Board), and Caleb Wroblewski (University of Chicago Booth School of Business)

Discussant: Jesse Schreger (Columbia Business School)

Macprudential FX Regulations: Shifting the Snowbanks of FX Vulnerability?

Toni Ahnert (Bank of Canada), Kristin Forbes (MIT-Sloan School), Christian Friedrich (Bank of Canada), and Dennis Reinhardt (Bank of England)

Discussant: Shekhar Aiyar (IMF)

10:45–11:00 am

Coffee Break

11:00–12:30 pm Session 2: Welfare and Policy Coordination with Integrated Financial Markets

Chair: C. Fred Bergsten (Senior Fellow and Director Emeritus, Peterson Institute for International Economics)

Implementable Rules for International Monetary Policy Coordination

Michael B. Devereux (University of British Columbia), Charles Engel (University of Wisconsin), and Giovanni Lombardo (Bank for International Settlements)

Discussant: Gianluca Benigno (Federal Reserve Bank of New York and London School of Economics)

On the Welfare Losses from External Sovereign Borrowing

Mark Aguiar (Princeton University), **Manuel Amador** (Federal Reserve Bank of Minneapolis and University of Minnesota), and Stelios Fourakis (University of Minnesota)

Discussant: Leonardo Martinez (IMF)

12:35–1:55 pm

*****Lunch*****

(By invitation only, IMF HQ2, Conference Hall 2)

2:00–4:00 pm

Session 3: Trade, Financial Linkages and Exchange Rates

Chair: Alexander Swoboda (Honorary Professor, International Economics, The Graduate Institute, Geneva)

The Real Exchange Rate, Innovation and Productivity: Regional Heterogeneity, Asymmetries and Hysteresis

Laura Alfaro (Harvard Business School), Alejandro Cuñat (University of Vienna and CES-ifo), Harald Fadinger (University of Mannheim), and Yanping Liu (University of Mannheim)

Discussant: Anusha Chari (University of North Carolina at Chapel Hill)

Banking, Trade, and the Making of a Dominant Currency

Gita Gopinath (Harvard University) and Jeremy C. Stein (Harvard University)

Discussant: Markus Brunnermeier (Princeton University)

Value Added and Productivity Linkages Across Countries

François de Soyres (World Bank)

Discussant: Jing Zhang (Federal Reserve Bank of Chicago)

4:00–4:15 pm

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

4:15–5:45 pm

Mundell-Fleming Lecture: The Spillovers from Easy Liquidity and its Implications for Multilateralism

Raghuram Rajan (Katherine Dusak Miller Distinguished Service Professor of Finance, University of Chicago Booth School of Business)

Introduction by Maurice Obstfeld (Economic Counsellor and Director, Research Department, IMF)

2:00–4:00 pm Session 6: Uncertainty and Policy Spillovers

Chair: Alejandro Werner (Director, Western Hemisphere Department, IMF)

Fear Thy Neighbor: Spillovers from Economic Policy Uncertainty

Nina Biljanovska (IMF), **Francesco Grigoli** (IMF), and Martina Hengge (The Graduate Institute)

Discussant: Luis Felipe Céspedes (Universidad Adolfo Ibáñez)

U.S. or Domestic Monetary Policy: Which Matters Most for Financial Stability?

Stephen G. Cecchetti (Brandeis International Business School), Tommaso Mancini-Griffoli (IMF), Machiko Narita (IMF), and Ratna Sahay (IMF)

Discussant: Jonathan Wright (Johns Hopkins University)

The Role of U.S. Monetary Policy in Global Banking Crises

C. Bora Durdu (Federal Reserve Board), Alex Martin (Federal Reserve Board), and **Ilknur Zer** (Federal Reserve Board)

Discussant: Jeffrey Frankel (Harvard University)

4:00–4:15 pm

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

4:15–5:45 pm Economic Forum: Navigating Rough Waters: Challenges to Policymaking in an Interconnected World

Moderator: Maurice Obstfeld (Economic Counsellor and Director, Research Department, IMF)

Panelists:

1. **Agustín Carstens** (Bank for International Settlements)
2. **Takatoshi Ito** (School of International and Public Affairs, Columbia University)
3. **Silvana Tenreyro** (Bank of England and London School of Economics)
4. **Ksenia Yudaeva** (Central Bank of the Russian Federation)

Conference Organizing Committee: Anil Ari (IMF), Gianluca Benigno (IMF, London School of Economics), Emine Boz (IMF, Co-Editor of the *IMF Economic Review*), Zoltan Jakab (IMF), Callum Jones (IMF), Roberto Piazza (IMF), Linda Tesar (Editor-in-Chief of the *IMF Economic Review*, University of Michigan), and Filiz Unsal (IMF)

Conference Coordinators: Tracey Lookadoo and Natalie Tate