

Third Joint Central Bank Research Conference: Programme

Day 1 (Thursday, 7 March 2002, 9:00 - 17:00)

Registration of conference participants (from 08:00; morning coffee)

Opening address (09:00 - 09:30)

Andrew D Crockett (BIS)

Session #1: Banking stability (09:30 - 11:00)

Chair: Kazuo Ueda (BOJ); **Discussant:** Heinrich Linz (Dresdner Bank)

Franklin Allen and Douglas Gale: *Financial Fragility*.

Elena Carletti and Philipp Hartmann: *Bank Mergers, Competition and Financial Stability*.

Mariassunta Giannetti: *On the causes of overlending: Are guarantees the culprit?*

Lunch break (11:15 - 13:15)

Luncheon Address - Yutaka Yamaguchi (CGFS/BOJ) (11:15 - 11:45)

Session #2: Market contagion (13:30 - 15:00)

Chair: Francesco Papadia (ECB); **Discussant:** Takatoshi Ito (Hitotsubashi University)

Mardi Dungey, Renee Fry, Brenda Gonzalez-Hermosillo, and Vance Martin: *International Contagion Effects from the Russian Crisis and the LTCM Near-collapse*.

Graciela Kaminsky and Carmen Reinhart: *The Center and the Periphery: The Globalization of Financial Turmoil*.

Marco Cipriani and Antonio Guarino: *Herd Behavior and Contagion in Financial Markets*.

Coffee break (15:00 - 15:30)

Session #3: Liquidity I (15:30 - 17:00)

Chair: Peter Praet (BNB); **Discussant:** Harry Stordel (Credit Suisse Group)

Ben Cohen and Hyun Shin: *Positive Feedback Trading under Stress: Evidence from the US Treasury Market*.

Matthew Pritsker: *Large Investors: Implications for Equilibrium Asset Returns, Shock Absorption and Liquidity*.

David Tien: *Hedging Demand and Foreign Exchange Risk Premia*.

Conference dinner

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Day 2 (Friday, 8 March 2002, 09:00 - 17:00)

Session #4: Liquidity II (09:00 - 10:30)

Chair: Jose Vinals (Banco de Espana); **Discussant:** Frank Roncey (BNP Paribas)

Jon Danielsson and Richard Payne: *Measuring and Explaining Liquidity on an Electronic Limit Order Book: Evidence from Reuters D2000-2.*

Paul Harrison: *Market Liquidity in Times of Stress in the Corporate Bond Market.*

Grace Lau et al: *Liquidity of the Hong Kong Stock Market since the Asian Financial Crisis.*

Coffee break (10:30 - 11:00)

Session #5: Risk Measurement (11:00 - 12:30)

Chair: Christine Cumming (FRBNY); **Discussant:** Paul Shotton (JP Morgan Chase)

Torben Andersen, Tim Bollerslev, Francis Diebold, and Paul Labys: *Modeling and Forecasting Realised Volatility.*

Yasuhiro Yamai and Toshinao Yoshida: *Comparative Analyses of Expected Shortfall and VaR under Market Stress.*

Andre Lucas, Pieter Klaassen, Peter Spreij, and Stefan Straetmans: *Tail Behavior of Credit Loss Distributions for General Latent Factor Models.*

Lunch (12:45 - 14:45)

Luncheon Address - Tommaso Padoa-Schioppa (ECB) (14:15 - 14:45)

Session #6: Market behaviour and monitoring (15:00 - 16:30)

Chair: William White (BIS); **Discussant:** Timothy Wilson (Morgan Stanley)

Martin Blavarg and Patrick Nimander: *The Riksbank's Approach to Systemic Risk by Monitoring Counterparty Exposures in the Inter-Bank Market.*

Reint Gropp, Jukka Vesala and Giuseppe Vulpes: *Equity and Bond Market Signals as Leading Indicators of Bank Fragility.*

Arjan Berkelaar, Phornchanok Cumperayot, Roy Kouwenberg: *The Effect of VaR Based Risk Management on Asset Prices and the Volatility Smile.*

Conference wrap-up and open discussion (16:30 - 17:00)