

Macroeconomic Policies and Business Cycles

Date: March 24-25, 2014

Address: Shanghai Advanced Institute of Finance, Shanghai Jiao Tong
University

211 West Huaihai Road, Shanghai, China

Sponsor: Shanghai Advanced Institute of Finance (SAIF), Shanghai Jiao Tong
University

Northwestern University

Tsinghua University

Bank of Canada

Federal Reserve Bank of Atlanta

DAY 1 (MARCH 24, 2014)

9:00am - 9:10am Welcome remarks

- Chun Chang Shanghai Advanced Institute of Finance,
Shanghai Jiao Tong University
- Jun Ma People's Bank of China

9:10am - 12:50am Morning session

- Session chair: Jun Qian, SAIF, Shanghai Jiao Tong University

9:10am-10:00am Presentation 1: High Discounts and High Unemployment

Bob Hall, Stanford University

Discussant: Andy Levin, IMF

9:10am-9:40am Presentation

9:40am-9:50am Discussion

9:50am-10:00am Open-floor Questions

10:00am-10:50am Presentation 2: **International Liquidity and Exchange Rate Dynamics**

Matteo Maggiori, New York University

Xavier Gabaix, New York University, NBER and CEPR

Discussant: Federico Mandelman, Atlanta Fed

10:00am-10:30am Presentation

10:30am-10:40am Discussion

10:40am-10:50am Open-floor Questions

10:50am-11:10am Tea Break

11:10am-12:00pm Presentation 3: **Non-linear Effects of Taxation on Growth**

Sergio Rebelo, Northwestern University

Nir Jaimovich, Duke University

Discussant: Wen Yao, Tsinghua University

11:10am-11:40am Presentation

11:40am-11:50am Discussion

11:50am-12:00pm Open-floor Questions

12:00pm-12:50pm Presentation 4: **Measuring Income and Wealth of Chinese Households**

Gan Li, Texas A&M University and Southwestern University of Finance and Economics

Jijun Tan, Southwestern University of Finance and Economics

Discussant: Mark Kruger, Bank of Canada

12:00pm-12:30pm Presentation

12:30pm-12:40pm Discussion

12:40pm-12:50pm Open-floor Questions

12:50pm - 1:50pm Lunch

1:50pm - 3:30pm Afternoon session

- Session chair: Yi Wen, St. Louis Fed and Tsinghua University
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1:50pm-2:40pm Presentation 1: **Valuation Risk and Asset Pricing**

Marty Eichenbaum, Northwestern University

Rui Albuquerque, Boston University, Portuguese Catholic University

Sergio Rebelo, Northwestern University

Discussant: Jun Liu, SAIF, Shanghai Jiao Tong University

1:50pm-2:20pm Presentation

2:20pm-2:30pm Discussion

2:30pm-2:40pm Open-floor Questions

2:40pm-3:30pm Presentation 2: **Optimal Time-Consistent**

Macprudential Policy

Javier Bianchi, University of Wisconsin

Enrique G. Mendoza University of Pennsylvania

Discussant: Zheng Liu, San Francisco Fed and SAIF

2:40pm-3:10pm Presentation

3:10pm-3:20pm Discussion

3:20pm-3:30pm Open-floor Questions

3:30pm - 3:50pm Tea Break

3:50pm - 5:50pm Policy round-table

- Subject: ***Current challenges facing monetary policy***

- Moderator: Marty Eichenbaum

Panelists: Dave Altig, Executive Vice President, FRB Atlanta

Jim Bullard, President, FRB St Louis

Chun Chang, Executive Dean, SAIF (leading the discussion)

Charlie Evans, President, FRB Chicago
Tao Guan, Head, Balance of Payment Department, SAFE,
People's Bank of China
Haizhou Huang, Chief Strategist, China International Capital
Corporation
John Murray, Deputy Governor, Bank of Canada

7:00pm - 9:30pm Dinner

DAY 2 (MARCH 25, 2014)

9:00am - 12:40am Morning session

- Session chair: Xiaodong Zhu, University of Toronto and SAIF

9:00am-9:50am Presentation 1: **The Safety Trap**

Emmanuel Farhi, Harvard University

Ricardo J. Caballero, MIT

Discussant: Bing Li, Tsinghua University

9:00am-9:30am Presentation

9:30am-9:40am Discussion

9:40am-9:50am Open-floor Questions

9:50am-10:40am Presentation 2: **On the Importance of Sales for
Aggregate Price Flexibility**

Oleksiy Kryvtsov, Bank of Canada

Nicolas Vincent, HEC Montréale

Discussant: Xue Qiao, Tsinghua University

09:50am-10:20am Presentation

10:20am-10:30am Discussion

10:30am-10:40am Open-floor Questions

10:40am-11:00am Tea Break

11:00am-11:50am Presentation 3: **The Great Housing Boom in China**

Yi Wen, Federal Reserve Bank of St Louis and Tsinghua University

Kaiji Chen, Emory University

Discussant: Jun Qian, SAIF, Shanghai Jiao Tong University

11:00am-11:30am Presentation

11:30am-11:40am Discussion

10:40am-11:50am Open-floor Questions

11:50am-12:40pm Presentation 4: **Banks, Liquidity Management and Monetary Policy**

Saki Bigio, Columbia University

Javier Bianchi, University of Wisconsin and NBER

Discussant: Yuan Xu, Tsinghua University

11:50am-12:20pm Presentation

12:20pm-12:30pm Discussion

12:30pm-12:40pm Open-floor Questions

12:40pm - 1:50pm Lunch

1:50pm - 4:50pm Afternoon session

- Session chair: Jun Liu, SAIF, Shanghai Jiao Tong University
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1:50pm-2:40pm Presentation 1: **Understanding the Great Recession**

Lawrence Christiano, Northwestern University

Martin S. Eichenbaum, Northwestern University

Mathias Trabandt, Board of Governors of the Federal Reserve System

Discussant: Rhys Mendes, Bank of Canada

1:50pm-2:20pm Presentation

2:20pm-2:30pm Discussion
2:30pm-2:40pm Open-floor Questions

2:40pm-3:00pm Tea Break

3:00pm-3:50pm Presentation 2: **Trends and Cycles in China's Macroeconomy: A Multivariate Approach**
Tao Zha, Federal Reserve Bank of Atlanta, SAIF and Emory University
Chun Chang, SAIF, Shanghai Jiao Tong University
Daniel F. Waggoner, Federal Reserve Bank of Atlanta
Mei Zhu, Shanghai University of Finance and Economics
Discussant: Xiaodong Zhu, University of Toronto and SAIF
3:00pm-3:30pm Presentation
3:30pm-3:40pm Discussion
3:40pm-3:50pm Open-floor Questions

3:50pm-4:40pm Presentation 3: **Good and Bad Uncertainty: Macroeconomic and Financial Market Implications**

Amir Yaron, University of Pennsylvania
Gill Segal, University of Pennsylvania
Ivan Shaliastovich, University of Pennsylvania
Discussant: Kaiji Chen, Emory University
3:50pm-4:20pm Presentation
4:20pm-4:30pm Discussion
4:30pm-4:40pm Open-floor Questions

6:30pm - 9:00pm Dinner

Contact person:

Zhang Suzhi (Sue)

+86 13524875002

Szzhang@saif.sjtu.edu.cn

Xu Tingting

+86 18301734763

ttxu@saif.sjtu.edu.cn