



CENTER FOR
INTERNATIONAL
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NORTHWESTERN UNIVERSITY

Financial Markets, International Capital Flows and Exchange Rates

Florence, 15-16 December 2008

Monday, December 15, 2008

Are industrial countries consumption risks globally diversified in international financial markets?

Giancarlo Corsetti (European University Institute) and
Luca Dedola (European Central Bank)

Discussant: Gregor Smith (Queens University)

The Lost in Transit: Product Replacement Bias and Pricing to Market

Jón Steinsson (Columbia University)

Discussant: Charles Engel (University of Wisconsin)

Product-level and Aggregate Real Exchange Rates

Ariel Burstein (UCLA) and

Nir Jaimovich (Stanford University)

Discussant: Emi Nakamura (Columbia University)

Default and the Maturity Structure in Sovereign Bonds

Cristina Arellano (University of Minnesota)

Discussant: Marco Bassetto (Federal Reserve Bank of Chicago)

Tuesday, December 16, 2008

Crash-neutral Currency Carry Trades

Jakub Jurek (Harvard University)

Discussant: John Heaton (University of Chicago)



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Do Peso Problems Explain the Returns to the Carry Trade?

Craig Burnside (Duke University),
Martin Eichenbaum (Northwestern University),
Isaac Kleshchelski (Northwestern University), and
Sergio Rebelo (Northwestern University)
Discussant: Geert Bekaert (Columbia University)

Introducing Financial Market Frictions and Unemployment into a Small Open Economy Model

Lawrence Christiano (Northwestern University)*,
Mathias Trabandt (Central Bank of Sweden), and
Karl Walentin (Central Bank of Sweden)
Discussant: Paolo Pesenti (Federal Reserve Bank of New York)

Persistent Appreciations and Overshooting: A Normative Analysis

Ricardo J. Caballero (Massachusetts Institute of Technology) and
Guido Lorenzoni (Massachusetts Institute of Technology)*
Discussant: Carlos Vegh (University of Maryland)