Third Wharton Conference on Liquidity and Financial Crises

Sponsored by Wharton Financial Institutions Center and
the Review of Financial Studies
Organized by Franklin Allen, Itay Goldstein and Guillermo Ordonez
Eighth Floor Conference Facility, Jon M. Huntsman Hall, 3730 Walnut Street, Philadelphia

Friday, October 10th 2014

8:30 - 9:30 - Breakfast

Session 1 – 9:30-12:20 - Trading in Financial Markets (includes 20 minutes break)
Investor Sophistication and Capital Income Inequality.
Marcin Kacperczyk (Imperial College), **Jaromir Nosal** (Columbia) and Luminita Stevens (Maryland).
Discussant: Venky Venkateswaran (NYU).

Synthetic or Real? The Equilibrium Effects of Credit Default Swaps on Bond Markets.
Martin Oehmke (Columbia) and Adam Zawadowski (Boston University).
Discussant: Andrew Winton (Minnesota).

Trading on Sunspots.
Boyan Jovanovic (NYU) and Viktor Tsyrennikov (Cornell).
Discussant: Todd Keister (Rutgers).

12:20-13:40 – Lunch

Session 2 – 13:40-15:20 - Endogenous Networks
Adverse Selection and Intermediation Chains.
Vincent Glode (Wharton) and **Christian Opp** (Wharton).
Discussant: Albert "Pete" Kyle (Maryland).

Risk Sharing and Contagion in Networks.
Antonio Cabrales (UCL), **Piero Gottardi** (EUI) and Fernando Vega-Redondo (Bocconi).
Discussant: Maryam Farboodi (Princeton).

15:20-15:40 – Break

Session 3 – 15:40-17:20 - Banking Fragility
Deposit Competition and Financial Fragility: Evidence from the US Banking Sector.
Mark Egan (Chicago), Ali Hortacsu (Chicago) and **Gregor Matvos** (Chicago).
Discussant: David Scharfstein (Harvard).

Runs versus Lemons: Fiscal Capacity and Financial Stability.
Miguel de Faria e Castro (NYU), Joseba Martinez (NYU) and **Thomas Philippon** (NYU).
Discussant: Willie Fuchs (Berkeley).

19:00 – Dinner. Speaker: Anil Kashyap (Chicago)

Saturday, October 11th 2014

7:30 - 8:30 – Breakfast

Session 4 – 8:30-10:10 - Unintended Consequences of Financial Regulation
Ratings-Based Regulation and Systematic Risk Incentives.
Giuliano Iannotta (Università Cattolica) and **George Pennacchi** (Illinois).
Discussant: Tom Cooley (NYU).

Shadow Insurance.
Ralph Koijen (LBS) and **Motohiro Yogo** (Minneapolis Fed).
Discussant: Robert McDonald (Northwestern).

10:10-10:30 – Break

Session 5 – 10:30-12:10 - Monetary Policy and Financial Markets
Risk-Taking Channel of Monetary Policy.
Stephen Morris (Princeton) and Hyun Song Shin (BIS).
Discussant: Enrico Perotti (Universiteit van Amsterdam).

A Model of Monetary Exchange in Over-the-Counter Markets.
Ricardo Lagos (NYU) and Shengxing Zhang (LSE).
Discussant: Nicolae Garleanu (Berkeley).

Session 6 – 12:10-15:30 - Credit Shocks
Debt Constraints and Unemployment.
Virgiliu Midrigan (NYU), **Patrick Kehoe** (Minnesota) and Elena Pastorino (Minnesota).
Discussant: Guido Menzio (UPenn)

13:00-13:50 – Lunch

Bank Ratings and Lending Supply: Evidence from Sovereign Downgrades.
Manuel Adelino (Duke) and Miguel Ferreira (Nova).
Discussant: Alberto Martin (CREI).

Credit Shocks in an Economy with Heterogeneous Firms and Default.
Aubhik Khan (OSU), Tatsuro Senga (OSU) and Julia Thomas (OSU).
Discussant: Urban Jermann (Wharton).

15:30 – Adjourn

Program Committee

Fernando Alvarez (Chicago)

Manuel Amador (Minneapolis Fed)

Stijn Claessens (IMF)

Dean Corbae (Wisconsin)

Doug Diamond (Chicago)

Itamar Drechsler (NYU)

Huberto Ennis (Richmond Fed)

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