

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)
Chair: Itay Goldstein (Wharton)

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

Chair: Ben Lester (Federal Reserve Bank of Philadelphia)

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

Chair: Jakub Kastl (Princeton)

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)

(Drinks and light hors d'oeuvres will be served at 6:15pm)

Saturday, October 11th 2014

7:30 - 8:30 - Breakfast

Session 4 – 8:30-10:10 - Unintended Consequences of Financial Regulation Chair: Stijn Claessens (IMF)

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 Chair: Franklin Allen (Wharton & Imperial College)

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

Chair: Guillermo Ordonez (University of Pennsylvania)

Debt Constraints and Unemployment.

Virgiliu Midrigan (NYU), **Patrick Kehoe** (Minnesota) and Elena Pastorino (Minnesota).

Discussant: Guido Menzies (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)

Mark Flannery (Florida)

Vincent Glode (Wharton)

Gary Gorton (Yale)

Todd Keister (Rutgers)

Pablo Kurlat (Stanford)

Robert McDonald (Northwestern)

Christian Opp (Wharton)

Adriano Rampini (Duke)

Philipp Schnabl (NYU)

Luke Taylor (Wharton)

Annete Vissing-Jorgensen (Berkeley)

Randy Wright (Wisconsin)

Wei Xiong (Princeton)

Motohiro Yogo (Minneapolis Fed)

2014 Liquidity and Financial Crises Attendees

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| Manuel Adelino | Duke University |
| Toni Ahnert | Bank of Canada |
| Franklin Allen | Wharton / Imperial College |
| Ian Appel | Wharton School, University of Pennsylvania |
| Vladimir Asriyan | CREi |
| Anton Badev | Federal Reserve Board |
| Mitchell Berlin | FRB Philadelphia |
| Yasser Boualam | Wharton School, University of Pennsylvania |
| Jose Canals-Cerda | Federal Reserve Bank of Philadelphia |
| Francesca Carapella | Federal Reserve Board |
| Murat Celik | University of Pennsylvania |
| Stijn Claessens | International Monetary Fund |
| Harold Cole | Dept. of Economics, University of Pennsylvania |
| Thomas Cooley | New York University |
| Adam Copeland | FRBNY |
| Anna Cororaton | Wharton School, University of Pennsylvania |
| Adrian Aycan Corum | Wharton School, University of Pennsylvania |
| Giuseppe Corvasce | Rutgers University |
| Miguel de Faria e Castro | New York University |
| Serdar Dinc | Rutgers University |
| Mark Egan | University of Chicago |
| Mahmoud Elamin | Cleveland Fed |
| Amora Elsaify | Wharton School, University of Pennsylvania |
| Selman Erol | UPenn |
| Maryam Farboodi | Princeton University |
| William Fuchs | UC Berkeley Haas |
| Vito Gala | Wharton School, University of Pennsylvania |
| Emily Gallagher | Investment Company Institute |
| Raphael Galvao | University of Pennsylvania |
| Nicolae Garleanu | University of California, Berkeley -- Haas |
| Simon Gervais | Duke University |
| Erik Gilje | University of Pennsylvania |
| Vincent Glode | Wharton School, University of Pennsylvania |
| Itay Goldstein | Wharton School, University of Pennsylvania |
| Todd Gormley | University of Pennsylvania |
| Piero Gottardi | Dept. Economics, European University Institute |
| Christian Goulding | Wharton School, University of Pennsylvania |
| Deeksha Gupta | Wharton School, University of Pennsylvania |
| Sarah Hammer | The Vanguard Group |
| Pengfei Han | University of Pennsylvania |
| Paul Hanouna | US Securities and Exchange Commission & Villanova University |
| Juan M. Hernandez | University of Pennsylvania |
| Richard Herring | Wharton School, University of Pennsylvania |
| Steffen Hitzemann | Wharton School, University of Pennsylvania |
| Darien Huang | Wharton School, University of Pennsylvania |
| Giuliano Iannotta | Università Cattolica |
| Julapa Jagtiani | Federal Reserve Bank of Philadelphia |
| Urban Jermann | Wharton School, University of Pennsylvania |
| Boyan Jovanovic | NYU Economics |
| Marcin Kacperczyk | Imperial College |
| Gazi Kara | Federal Reserve Board |
| Anil Kashyap | University of Chicago Booth School of Business |

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| Jakub Kastl | Princeton University |
| Patrick Kehoe | University of Minnesota |
| Todd Keister | Rutgers University |
| Kurt Kendis | The Banking Group |
| Aubhik Khan | Ohio State University |
| Richard Kihlstrom | Wharton School, University of Pennsylvania |
| Daniel Kim | Wharton School, University of Pennsylvania |
| Yrjo Koskinen | Wharton School, University of Pennsylvania |
| Dirk Krueger | Penn |
| Martin Kuncil | Bank of Canada |
| Andre Kurmann | LeBow College of Business - Drexel University |
| Albert Kyle | University of Maryland |
| Ricardo Lagos | NYU |
| Michael Lee | Wharton School, University of Pennsylvania |
| Yaron Leitner | Philly Fed |
| Ben Lester | FRB Philadelphia |
| Wenli Li | Philadelphia Federal Reserve Bank |
| Igor Livshits | University of Western Ontario |
| Caio Machado | Sao Paulo School of Economics-FGV |
| Tatyana Marchuk | Goethe University Frankfurt |
| Alberto Martin | CREI, UPF and IMF |
| Joseba Martinez | New York University |
| Gregor Matvos | University of Chicago Booth School of Business |
| Pricila Maziero | Wharton School, University of Pennsylvania |
| Robert McDonald | Northwestern University |
| Albert Menkveld | VU University Amsterdam |
| Guido Menzio | University of Pennsylvania |
| Virgiliu Midrigan | NYU |
| Stephen Morris | Princeton University |
| Benjamin Munyan | University of Maryland |
| Borghan Narajabad | Federal Reserve Board |
| Daniel Neuhann | University of Pennsylvania |
| Jaromir Nosal | Columbia University |
| Martin Oehmke | Columbia University |
| Deniz Okat | Wharton School, University of Pennsylvania |
| Marcus Opp | UC Berkeley |
| Christian Opp | Wharton School, University of Pennsylvania |
| Guillermo Ordonez | University of Pennsylvania |
| Cecilia Parlatore | NYU |
| Elena Pastorino | University of Minnesota |
| Qiusha Peng | University of Pennsylvania |
| George Pennacchi | University of Illinois |
| Ana Elisa Pereira | Sao Paulo School of Economics-FGV |
| Enrico Perotti | U Amsterdam |
| Ryan Peters | Wharton School, University of Pennsylvania |
| Stefan Petry | University of Melbourne |
| Thomas Philippon | NYU Stern |
| Irina Pimenova | University of Pennsylvania |
| Sébastien Plante | University of Pennsylvania |
| Tanvi Rai | Wharton School, University of Pennsylvania |
| Nikolai Roussanov | Wharton School, University of Pennsylvania |
| Hongxun Ruan | Wharton School, University of Pennsylvania |
| Daniel Sanches | Federal Reserve Bank of Philadelphia |
| Asani Sarkar | Federal Reserve NY |

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| David Scharfstein | Harvard |
| Krista Schwarz | Wharton School, University of Pennsylvania |
| Gill Segal | Wharton School, University of Pennsylvania |
| Tatsuro Senga | Ohio State University |
| Sang Byung Seo | Wharton School, University of Pennsylvania |
| Or Shachar | Federal Reserve Bank Of NY |
| Yochanan Shachmurove | City College and The University of Pennsylvania |
| Ivan Shaliastovich | Wharton School, University of Pennsylvania |
| Lin Shen | Wharton School, University of Pennsylvania |
| Ali Shourideh | Wharton School, University of Pennsylvania |
| Vesa-Heikki Soini | University of Pennsylvania |
| Christof Stahel | U.S. Securities and Exchange Commission |
| Ruslan Sverchkov | Wharton School, University of Pennsylvania |
| Mathieu Taschereau-Dumouchel | Wharton School, University of Pennsylvania |
| Bart Taub | Glasgow University |
| Luke Taylor | Wharton School, University of Pennsylvania |
| Julia Thomas | Ohio State University |
| Viktor Tsyrennikov | International Monetary Fund |
| Victoria Vanasco | Stanford University |
| Vaidyanathan Venkateswaran | NYU Stern |
| Andrew Winton | University of Minnesota |
| Di Wu | Wharton School, University of Pennsylvania |
| Chunzan Wu | University of Pennsylvania |
| Juan Pablo Xandri Antuna | Princeton University |
| Ram Yamarthy | Wharton School, University of Pennsylvania |
| Ming Yang | Duke University |
| Motohiro Yogo | Federal Reserve Bank of Minneapolis |
| Yu Yuan | Shanghai Institute of Finance |
| Adam Zawadowski | Boston University |
| Albert Zevelev | Wharton School, University of Pennsylvania |
| Shengxing Zhang | LSE |
| Mingli Zhong | Wharton School, University of Pennsylvania |
| Junyuan Zou | University of Pennsylvania |