
CENTRAL BANK LIQUIDITY TOOLS

A Conference Sponsored by the Federal Reserve Bank of New York
February 19-20, 2009

AGENDA

Thursday, February 19

- 8:45 a.m. **Opening Remarks**
Patricia C. Mosser, Federal Reserve Bank of New York
- 9:00 a.m. **Session 1: Overview of Recent Problems in Liquidity Provision**
Chair: *Tobias Adrian, Federal Reserve Bank of New York*
Central Bank Tools and Liquidity Shortages
Stephen G. Cecchetti, Bank for International Settlements
Piti Disyatat, Bank for International Settlements
Discussant: *Bengt Holmstrom, Massachusetts Institute of Technology*
- 10:30 a.m. **Session 2: Funding Liquidity and Market Liquidity**
Chair: *Til Schuermann, Federal Reserve Bank of New York*
Leverage, Moral Hazard, and Liquidity
Viral V. Acharya, New York University and London Business School
S. "Vish" Viswanathan, Duke University
Discussant: *Patrick Bolton, Columbia University*

Interbank Market Liquidity and Central Bank Intervention
Franklin Allen, University of Pennsylvania
Elena Carletti, European University Institute
Douglas Gale, New York University
Discussant: *Adriano A. Rampini, Duke University*

Bank Liquidity, Interbank Markets, and Monetary Policy
Xavier Freixas, Universitat Pompeu Fabra
Antoine Martin, Federal Reserve Bank of New York
David Skeie, Federal Reserve Bank of New York
Discussant: *Franklin Allen, University of Pennsylvania*
- 2:00 p.m. **Session 3: Policy Responses to Illiquidity**
Chair: *James J. McAndrews, Federal Reserve Bank of New York*
Illiquidity and Interest Rate Policy
Douglas W. Diamond, University of Chicago and National Bureau of Economic Research
Raghuram G. Rajan, University of Chicago and National Bureau of Economic Research
Discussant: *Guido Lorenzoni, Massachusetts Institute of Technology*

Liquidity Hoarding and Interbank Market Spreads: The Role of Counterparty Risk
Florian Heider, European Central Bank
Marie Hoerova, European Central Bank
Cornelia Holthausen, European Central Bank
Discussant: *Gaetano Antinolfi, Washington University*

AGENDA

Thursday, February 19 (*Continued*)

3:40 p.m.

Session 4: Collateral and Haircuts

Chair: *Simon M. Potter, Federal Reserve Bank of New York*

Rollover Risk and Market Freezes

Viral V. Acharya, New York University and London Business School

Douglas Gale, New York University

Tanju Yorulmazer, Federal Reserve Bank of New York

Discussant: *Michael Manove, Boston University*

Central Bank Haircut Policy

James Chapman, Bank of Canada

Jonathan Chiu, Bank of Canada

Miguel Molico, Bank of Canada

Discussant: *Mitchell Berlin, Federal Reserve Bank of Philadelphia*

6:00 p.m.

Keynote Address

John Geanakoplos, Yale University

AGENDA

Friday, February 20

9:00 a.m.

Session 5: Empirical Evaluation of Central Bank Liquidity Programs—Part I

Chair: *Seth B. Carpenter, Board of Governors of the Federal Reserve System*

Do Central Bank Liquidity Facilities Affect Interbank Lending Rates?

Jens H. E. Christensen, Federal Reserve Bank of San Francisco

Jose A. Lopez, Federal Reserve Bank of San Francisco

Glenn D. Rudebusch, Federal Reserve Bank of San Francisco

Discussant: *Pierre Collin-Dufresne, Columbia University*

Repo Market Effects of the Term Securities Lending Facility

Michael Fleming, Federal Reserve Bank of New York

Warren Hrungr, Federal Reserve Bank of New York

Frank Keane, Federal Reserve Bank of New York

Discussant: *Lasse H. Pedersen, New York University*

AGENDA

Friday, February 20 (*Continued*)

- 10:40 a.m. **Session 6: Empirical Evaluation of Central Bank Liquidity Programs—Part II**
Chair: *James Vickery, Federal Reserve Bank of New York*
- Funding Liquidity Risk: Definition and Measurement
Mathias Drehmann, Bank for International Settlements
Kleopatra Nikolaou, European Central Bank
Discussant: *Marie Hoerova, European Central Bank*
- Provision of Liquidity through the Primary Credit Facility during the Financial Crisis:
A Structural Analysis
Erhan Artuç, Koc University
Selva Demiralp, Koc University
Discussant: *Carolyn Wilkins, Bank of Canada*
- 1:15 p.m. **Panel Discussion**
Chair: *Patricia C. Mosser, Federal Reserve Bank of New York*
- Panel:
Louis Crandall, Wrightson ICAP
Andrew W. Lo, Massachusetts Institute of Technology
Paul Mercier, European Central Bank
Lasse H. Pedersen, New York University
W. Alexander Roever, J.P. Morgan Chase