Joint BOE, ECB, CEPR and CFM conference

Credit Dynamics and the Macroeconomy

London, 10-11 December 2015
Hosted by the Bank of England

Credit market dynamics have increasingly influenced macroeconomic developments in recent years. Notably, since the start of the recent Great Recession, credit markets have been the source macroeconomic disturbances as well as been instrumental in transmitting shocks originating in other sectors of the economy. Given the likely fundamental changes that credit dynamics has seen in relation to the macroeconomy in recent years, a re-assessment of the theoretical and empirical modelling of the links between credit and macroeconomic variables is warranted.

This conference aims to bring together policymakers and academics interested in these issues, and in particular on the following:

- the implications of the crisis for analysing the role of credit in the macroeconomy before, during and after the crisis
- empirical studies on the driving forces of credit and channels of transmission of credit shocks, including micro-data studies
- recent modelling advances in both theoretical (i.e., DSGE) and empirical models, with special focus on modelling of the banking sector
- theoretical and empirical analysis of the recent financial crisis in a global and historical perspective

Keynote speakers:

Simon Gilchrist (Boston University),
Anil Kashyap (Chicago Booth School of Business)
Nobuhiro Kiyotaki (Princeton University)

The event is hosted by the Bank of England and is co-sponsored by, and organised in collaboration with, the European Central Bank, CEPR and CFM. There is no fee. We regret finacial assistance is unavailable for non-presenting particpants.

Organising committee
Carlo Altavilla (European Central Bank), Matthieu Darracq Paries (European Central Bank), Wouter Den Haan (LSE), Rashmi Harimohan (Bank of England), Alberto Musso (European Central Bank), Simon Price (Bank of England), Morten Ravn (UCL) and Joao Sousa (European Central Bank).

REGISTRATION

Spaces are limited, so we therefore strongly encourage you to express your interest to attend as early as possible. A confirmation of registration will be sent to you by Monday 30 November. To register your interest, please RSVP to Chloe Smith at csmith@cepr.org (Tel: +44 (0) 207 183 8804). Note that this event is restricted to academics and policymakers only and discussion will be off the record.

Centre for Economic Policy Research
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CENTRE FOR MACROECONOMICS

EUROPEAN CENTRAL BANK
EUROSYSTEM

Provisional programme

Thursday 10 December

09.00-09.30 Registration

09.30-09.45 **Welcoming Remarks**

09.45-10.45 **Keynote 1**
Simon Gilchrist (Boston University)

10.45-11.15 Coffee

SESSION 1. CREDIT CONSTRAINTS ON HOUSEHOULDS Chair: Joao Sousa (ECB)

11.15-12.00 **Do Banks Pass Through Credit Expansions: The Marginal Profitability of Consumer Lending During the Great Recession**
Neale Mahoney (University of Chicago), with Sumit Agarwal, Souphala Chomsisengphet and Johannes Ströbel.

12.00-12.45 **Monetary policy when households have debt: new evidence on the transmission mechanism**
Paolo Surico (London Business School and CEPR), with James Cloyne and Clodomiro Ferreira

12.45-14.15 Poster Session and Buffet Lunch

SESSION 2. BANK LENDING Chair: Morten Ravn (UCL)

14.15-15.00 **Monetary policy pass-through and heterogeneous bank lending**
Carlo Altavila (European Central Bank), with Fabio Canova and Matteo Ciccarelli

15.00-15.45 **QE and the Bank Lending Channel in the United Kingdom**
Nicholas Butt (Bank of England), with Rohan Churm, Michael McMahon, Arpad Morotz and Jochen Schanz

15.45-16.30 **Collateral Channels**
Saleem Bahaj (Bank of England), with Angus Foulis and Gabor Pinter

16.30-17.00 Coffee

17.00-18.00 **Keynote 2**
Nobu Kiyotaki (Princeton University and CEPR)

18.00-19.00 Conference Dinner for presenters in Court Room (BOE) hosted by Jon Cunliffe

Friday 11 December

08.30-09.00 Coffee / pastries

SESSION 3. CREDIT CONSTRAINTS ON FIRMS AND LEVERAGE Chair: Ben Broadbent (BoE)

09.00-09.45 **The quantity of corporate credit rationing with matched bank-firm data**
Lorenzo Burlon (Banca d'Italia) , with Davide Fantino, Andrea Nobili and Gabriele Sene

09.45-10.30 **Financial Market Imperfections and the Pricing Decision of Firms: Theory and Evidence**
Almut Balleer (Aachen University), with Nikolay Hristov, Michael Kleemann and Dominik Menno

10.30-11.15 **Bank Leverage Cycles**
Carlos Thomas (Banco de España), with Galo Nuño

11.15-11.30 Coffee

11.30-12.30 **Panel Session** Chair: Massimo Rostagno (ECB)
Andy Haldane (BoE), Peter Praet (ECB), Hélène Rey (LBS) and Ricardo Reis (Columbia)

12.30-14.00 Poster Session and Buffet Lunch

14.00-15.00 **Keynote 3**
Anil Kashyap (University of Chicago)

15.00-15.15 Coffee

SESSION 4.Banks, Bonds and Money Chair: Michael Kumhof (BoE)

15.15-16.00 **Bubbles, Money and Liquidity Traps: An Analytical Perspective**
Luca Fornaro (CREI & Universitat Pompeu Fabra and CEPR), with Vladimir Asriyan, Alberto Martin and Jaume Ventura

16.00-16.45 **Government Bond Liquidity and Sovereign-Bank Interlinkages**
Wei Cui (University College London), with Sören Radde and Cristina Checherita-Westphal

16.45-17.30 **Search for Yield**
David Martinez-Miera (Universidad Carlos III de Madrid), with Rafael Repullo (CEMFI and CEPR)

17.30-17.40 **Closing Comments**

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