

FEDERAL RESERVE “DAY AHEAD” CONFERENCE ON FINANCIAL MARKETS
Federal Reserve Bank of San Francisco
January 2, 2009

7:30 a.m. **Continental Breakfast**

8:15 a.m. **Welcome**

Janet Yellen, President of the Federal Reserve Bank of San Francisco

8:30 a.m. **Expectations, Market Returns and Market Risks**

Chair: Brian Madigan, Federal Reserve Board

*Expectations of Risk and Return among Household Investors:
Are their Sharpe Ratios Countercyclical?* [presentation]

Gene Amromin, Federal Reserve Bank of Chicago

Steve Sharpe, Federal Reserve Board

A Black Swan in the Money Market [presentation]

John B. Taylor, Stanford University

John C. Williams, Federal Reserve Bank of San Francisco

Inflation and the Stock Market: Understanding the “Fed Model” [presentation]

Geert Bekaert, Columbia University; NBER

Eric Engstrom, Federal Reserve Board

*Inflation Expectations and Risk in an Arbitrage-Free Model of Nominal
and Real Bond Yields* [presentation]

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

Jose Lopez, Federal Reserve Bank of San Francisco

Glenn Rudebusch, Federal Reserve Bank of San Francisco

Discussants:

[Tobias Adrian](#), Federal Reserve Bank of New York

[Andrew Levin](#), Federal Reserve Board

[Kevin Lansing](#), Federal Reserve Bank of San Francisco

[Mark Jensen](#), Federal Reserve Bank of Atlanta

10:30 a.m. **Break**

11:00 a.m. **Liquidity Shocks and Asset Prices**

Chair: Bill Dudley, Federal Reserve Bank of New York

The Anatomy of a Financial Crisis: The Evolution of Panic-driven Runs in the Asset-Backed Commercial Paper Market [presentation]

Daniel Covitz, Federal Reserve Board

Nellie Liang, Federal Reserve Board

Gustavo Suarez, Federal Reserve Board

Credit Crunch, Creditor Protection, and Asset Prices [presentation]

Galina Hale, Federal Reserve Bank of San Francisco

Assaf Razin, Tel-Aviv University; Cornell University; CEPR; NBER

Hui Tong, International Monetary Fund

Liquidity Crisis, Runs and Security Design [presentation]

Song Han, Federal Reserve Board

Dan Li, Federal Reserve Board

Discussants:

Peter Lupoff, Millennium Management and IAFE

[Rochelle Edge](#), Federal Reserve Board

[Til Schuermann](#), Federal Reserve Bank of New York

12:30 p.m. **Lunch**

1:30 p.m. **Regulation of Financial Institutions**

Chair: Fred Furlong, Federal Reserve Bank of San Francisco

Stress Testing Banking Book Positions under Basel II [presentation]

Paul Kupiec, Federal Deposit Insurance Corporation

Financial Innovation and Corporate Default Rates [presentation]

Samuel Maurer, Federal Reserve Bank of New York

Luu Nguyen, Federal Reserve Bank of New York

Asani Sarkar, Federal Reserve Bank of New York

Chenyang Wei, Federal Reserve Bank of New York

Escape from New York: The Market Impact of SEC Rule 12h-6 on Foreign Private Issuers [presentation]

Nuno Fernandes, Universidade Catolica Portuguesa

Ugur Lel, Federal Reserve Board

Darius Miller, Southern Methodist University

CMBS Spreads and the Terrorist Risk Insurance Act [presentation]

Joseph Nichols, Federal Reserve Board

Amy Cunningham, Federal Reserve Board

Discussants:

[Matt Pristker](#), Federal Reserve Board

[William Keeton](#), Federal Reserve Bank of Kansas City

[Paula Tkac](#), Federal Reserve Bank of Atlanta

[Mario Ugoletti](#), U.S. Department of the Treasury

3:30

Break

4:00

Subprime Mortgage Crisis

Chair: Harvey Rosenblum, Federal Reserve Bank of Dallas

Understanding the Subprime Mortgage Crisis [presentation]

Yuliya Demyanyk, Federal Reserve Bank of St. Louis

Otto Van Hemert, New York University

The Subprime Mortgage Crisis: Irrational Exuberance or Rational Error? [presentation]

Nikola Kojucharov, Federal Reserve Board

Clyde F. Martin, Texas Tech University

Robert F. Martin, Federal Reserve Board

Vintage and Credit Rating: What Matters in the ABX data during the Credit Crunch?
[presentation]

Mardi Dungey, CFAP; University of Cambridge

Jerry Dwyer, Federal Reserve Bank of Atlanta; University of Carlos III

Tom Flavin, National University of Ireland Maynooth

Foreclosures in Ohio: Does Lender Type Matter? [presentation]

O. Emre Ergunor, Federal Reserve Bank of Cleveland

Discussants:

Andreas Lehnert, Federal Reserve Board

[Kris Gerardi](#), Federal Reserve Bank of Atlanta

[Shane Sherlund](#), Federal Reserve Board

[Bob Avery](#), Federal Reserve Board

6:00

Reception