



THE RIMINI CENTRE FOR ECONOMIC ANALYSIS

Bayesian and Money-Macro-Finance Workshops

May 19-20, 2016

Rimini, Palacongressi



Program

Program for the Bayesian and Money-Macro-Finance (MMF) Workshops

Day 1: Thursday, 19 May

Welcoming remarks

Time: 8:50-9:00

Session 1 (Bayesian): Panel Data Models

Time: 9:00-10:15

Chair: Gary Koop

ROOM: OROLOGIO

"The Cyclical Component of Labor Market Polarization and Jobless Recoveries in the US"

Paul Gagl and Sylvia Kaufmann

"Growth-cycle Phases in China's Provinces: A Bayesian Panel Markov-switching Approach"

Komla Mawulom Agudze, Monica Billio, Roberto Casarin and Eric Girardin

"Macroeconomic Uncertainty Through the Lenses of A Mixed-Frequency Panel Markov Switching Model"

Roberto Casarin, Claudia Foroni, Francesco Ravazzolo and Massimiliano Marcellino

Session 2 (MMF): Fiscal Policy, Austerity and Employment

Time: 9:00-10:15

Chair: Sergey Mitsek, Liberal Arts University, Yekaterinburg, Russia

ROOM: SQUERO

"Long-Term Effects of Consolidation Policies: Hysteresis or Expansionary Austerity?"

Andrea Tafuro, Ca' Foscari University of Venice

"Financial Constraints and Government Debt Financing Strategies"

Ayobani E. Illori, University of Sheffield

"Economic Slowdown in Russia in 2014-2015: It is Not Just the Price of Oil!"

Sergey Mitsek, Liberal Arts University, Yekaterinburg, Russia

Session 3 (MMF): International Linkages

Time: 9:00-10:15

Chair: Grzegorz Tchorek, National Bank of Poland and Warsaw University

ROOM: LAVATOIO

"The "Euro Effect" and Outward Foreign Direct Investment"

Grzegorz Tchorek, National Bank of Poland and Warsaw University and Michał Brzozowski, National Bank of Poland

"Connectedness among Sovereign Debt Markets: Spillover Analysis with Absolute Magnitude Restrictions"

Roberto de Santis, ECB and Srečko Zimic, ECB

"Monetary policy spillovers and currency networks in cross-border bank lending"

Stefan Avdjiev, BIS and Előd Takáts, BIS

Session 4 (MMF): Banks, Financial Markets and Employment

Time: 9:00-10:15

Chair: Mohamad Karaki, Lebanese American University

ROOM: BASTIONI

"Monetary Shocks and Job Flows: Evidence from Disaggregated Data"

Mohamad Karaki, Lebanese American University

"The Natural vs. Neutral Rate of Interest: Measurement and Implications"

Hess Chung Cristina, Federal Reserve Board, Fuentes-Albero, Federal Reserve Board, Matthias Paustian, Federal Reserve Board and Damjan Pfajfar, Federal Reserve Board

"Banks, Firms, and Jobs"

Fabio Berton, University of Torino, Sauro Mocetti, Bank of Italy, Andrea Presbitero, International Monetary Fund and MoFiR and Matteo Richiardi, Institute for New Economic Thinking

Coffee 10:15-10:30

Session 5: RCEA Macro-Money-Finance Workshop Plenary Address

Time: 10:30-11:30

Chair: Gianluigi Pelloni, University of Bologna, Wilfrid Laurier University and RCEA

ROOM: SQUERO

Steve Ambler, University of Montreal and RCEA

"How to Make Monetary Policy More Effective"

Session 6 (Bayesian): Multivariate Time Series Methods

Time: 10:30-11:45

Chair: John Maheu

ROOM: OROLOGIO

"Non-Central Inverted Wishart Processes for Multivariate Stochastic Volatility"

Joshua Chan, Roberto-Leon Gonzalez and Rodney Strachan

"Bayesian Compressed VARs"

Gary Koop, Dimitris Korobilis and Davide Pettenuzzo

"Large Bayesian VARs: A Flexible Kronecker Error Covariance Structure"
Joshua Chan

Session 7 (MMF): Effects of Fiscal Shocks

Time: 11:45-1:00

Chair: Loes Verstegen, Tilburg University

ROOM: LAVATOIO

"Fiscal-Monetary Policy Mix in Recessions and Expansions"

Juan Manuel Figueres, University of Padua

"The government spending multiplier, uncertainty and sovereign risk"

Felix Strobel, Humbolt University, Berlin

"The Effectiveness of a Fiscal Transfer Mechanism in a Monetary Union"

Loes Verstegen, Tilburg University and Lex Meijdam, Tilburg University

Session 8 (MMF): Exchange Rates

Time: 11:45-1:00

Chair: Sigal Ribon, Bank of Israel

ROOM: BASTIONI

"Real-Time Sign Predictions of Exchange Rates - A Binary Dynamic Model Averaging Approach"

Joscha Beckmann, University of Bochum and Kiel Institute for the World Economy and Rainer Schüssler, Helmut Schmidt University, Hamburg

"Assessing Euro Crises from a Time Varying International CAPM Approach"

Richard T. Baillie, Michigan State University, Queen Mary University of London and the Rimini Centre for Economic Analysis and Dooyeon Cho, Sungkyunkwan University, Seoul

"Why does the Bank of Israel intervene in the FOREX market and how does it affect the exchange rate?"

Sigal Ribon, Bank of Israel

Session 9 (MMF): Emerging Markets

Time: 11:45-1:00

Chair: Seyhan Aygul, University of Reading

ROOM: SQUERO

"Monetary Policy in a Developing Country: Loan Applications and Real Effects"

Charles Abuka, Ronnie Alinda, Camelia Minoiu, Jose Peydro, Andrea Presbitero

"Sudden Stops, Productivity and the Optimal Level of International Reserves for Small Open Economies"

Harun Nasir, University of Reading

“Choice of Invoicing Currency in International Trade: Evidence from Turkish Firms”
Seyhan Aygul, University of Reading

Session 10

Session 3: IT Forum and Bayesian Workshop Keynote Address

Time: 12:10-13:00

Chair: Gary Koop

ROOM: OROLOGIO

Simon Potter, Head of the Markets Group, Federal Reserve Bank of New York
“The Advantages of Probabilistic Survey Questions”

Lunch: 13:00-14:00

Session11 (Bayesian): Bayesian VAR Applications

Time: 14:00-15:15

Chair: Dimitris Korobilis

ROOM: OROLOGIO

"Heterogeneity in Euro-Area Monetary Policy Transmission: Results from a Large Multi-Country BVAR Model"

Martin Mandler, Michael Scharnagl and Ute Volz

"Macroeconomic Tail Events with Nonlinear Bayesian VARs"

Ching-Wai (Jeremy) Chiu and Sinem Hacıoglu Hoke

"Fiscal Policy and Credit Regimes: Results from a Flexible Smooth Transition VAR model"

Dominik Bertsche and Robin Braun

Session 12 (Bayesian): Bayesian Applications

Time: 14:00-15:15

Chair: Roberto Leon-Gonzalez

ROOM: SQUERO

"A Bayesian Approach for Measuring Poverty Using TIP Curves and a Mixture of Log-normals: An Application to Child Poverty in Germany"

Edwin Fourrier-Nicolai and Michel Lubrano

"Connectedness among Sovereign Debt Markets: Spillover Analysis with Absolute Magnitude Restrictions"

Roberto A. De Santis and Srecko Zimic

"The Wall's impact in the Occupied West Bank: A Bayesian Approach to Poverty Dynamics using Repeated Cross Sections"

Tareq Sadeq and Michel Lubrano

Session 13 (MMF): Sovereign Debt Crisis

Time: 14:00-15:15

Chair: Francesco Molteni, CEPII

ROOM: LAVATOIO

“Has the Grexit speculation spilled over into euro area financial markets? The role of country press, executives and institutions”

Matteo Falagiarda, European Central Bank, Wildmer Daniel Gregori, Prometeia Associazione and Agnese Sacchi, Universitas Mercatorum and Governance and Economics Research Network

“Savior or Sinner? Credit Default Swaps (CDS) and Sovereign Debt Crisis. An Empirical Investigation”

Wenéyam Hippolyte BALIMA, CERDI, University of Auvergne

“Liquidity, Government Bonds and Sovereign Debt Crises”

Francesco Molteni, CEPII

Session 14 (MMF): Monetary Policy

Time: 14:00-15:15

Chair: Tomi Kortela, Bank of Finland

ROOM: BASTIONI

“A Shadow rate model with time-varying lower bound of interest rates”

Tomi Kortela, Bank of Finland

“Are there Differences in the Effectiveness of Quantitative Easing at the Zero-Lower-Bound in Japan Over Time?”

Henrike Michaelis, University of Munich and Sebastian Watzka, University of Munich

“Why Monetary Policy Makers should be concerned about Exchange Rate Stability: An Alternative Explanation”

Mete Yagmur, Istanbul Commerce University

Coffee 15:15-15:30

Session 15 (Bayesian): Forecasting

Time: 15:30-16:45

Chair: Mark Jensen

ROOM: OROLOGIO

"Conditional Forecasting with BVAR Model for Russia: The Role of Oil Prices and Economic Sanctions"

Anna Pestova and Mikhail Mamonov

"Exchange Rate Forecast Efficiency: A Bayesian Test using Forecast Revisions"

Mauro Bernardi, Francesca Pancotto and Filippo Pericoli

Session 16 (Bayesian): Large Bayesian VARs

Time: 15:30-16:45

Chair: Rodney Strachan

ROOM: SQUERO

"Variational Bayes Inference for Large Vector Autoregressions"

Gholamreza Hajargasht and [Tomasz Wozniak](#)

"Multivariate Autoregressive Index Models with Stochastic Volatilities"

Andrea Carriero, [Francesco Corsello](#) and Massimiliano Marcellino

Session 17 (MMF): Monetary Policy

Time: 15:30-16:45

Chair: Tuan Phan, University College London

ROOM: LAVATOIO

"Unconventional Monetary Policy, Fiscal Side Effects, and Euro Area (Im)balances"

Michael Hachula, FU Berlin and German Institute for Economic Research (DIW Berlin).

Michele Piffer, German Institute for Economic Research (DIW Berlin) and Malte Rieth

"Has Monetary Policy Become More Aggressive, But Less Effective Over Time?"

Tuan Phan, University College London

"Settling the Inflation Targeting Debate: Lights from a Meta-Regression Analysis"

Wenéyam Hippolyte Balima, CERDI and University of Auvergne, Eric Gabin Kilamoa, University of Paris Ouest and René Tapsoba, International Monetary Fund

Session 18 (MMF): Determinants of Trading Behaviour

Time: 15:30-16:45

Chair: Nikola Gradojevic, University of Guelph

ROOM: BASTIONI

"Heterogeneous investment horizons, jump risk and market fear"

Deniz Erdemlioglu, Lille Catholic University and Nikola Gradojevic, University of Guelph and RCEA

"Cognitive Capacities, Trading Styles and Experimental Asset Bubbles"

Andreas Hefti, University of Zurich, Steve Heinke, University of Zurich and Frederic Schneider, University of Zurich

"Exposure to bankers: networks and stock market participation"

Arian Borgeers, Maastricht University and ECCE. Rachel Pownall, Maastricht University, ECCE and Tias Business School. Louis Raes, CentER and EBC, Tilburg University

Coffee: 16:45-17:00

Session 19: Joint RCEA Bayesian and Macro-Money-Finance Workshops Plenary Address

Time: 17:00-18:00

Chair: Marco Savioli, University of Bologna and RCEA

ROOM: OROLOGIO

Gary Koop, University of Strathclyde and RCEA

"Bayesian Methods for Empirical Macroeconomics with Big Data"

Reception: 20:00 at "Coconuts Rimini" <http://www.coconuts.it/contatti/>

Day 2: Friday, 20 May

Welcoming remarks

Time: 8:50-9:00

Session 20 (Bayesian): Macroeconomics

Time: 9:00-10:15

Chair: Dimitris Korobilis

ROOM: OROLOGIO

"The Empirical Implications of the Interest-Rate Lower Bound"

Christopher Gust, Edward Herbst, Matthew Smith and David Lopez-Salido

"Rational Sunspots"

Guido Ascari, Paolo Bonomolo and Hedibert F. Lopes

"Tracking the Slowdown in Long-Run GDP Growth"

Juan Antolin Diaz and Thomas Drechsel

Session 21 (MMF): Interdependence in the Banking Sector

Time: 9:00-10:15

Chair: Volha Audzei, Czech National Bank and CERGE-EI

ROOM: SQUERO

"Banks Interconnectivity and Leverage"

Alessandro Barattieri, Collegio Carlo Alberto and ESG UQAM, Laura Moretti, Central Bank of Ireland and Vincenzo Quadrini, University of Southern California

"Confidence Cycles and Liquidity Hoarding"

Volha Audzei, Czech National Bank and CERGE-EI

"Articulation between micro and macro prudential frameworks in the Euro-Mediterranean jurisdictions"

J.-L. Quemard, Banque de France

Session 22 (MMF): Predicting Stock Market and Forex Returns

Time: 9:00-10:15

Chair: Nicole Hasler, University of Basel

ROOM: LAVATOIO

"Valuation ratios and shape predictability in the distribution of stock returns"

Paolo Giordani, Swedish Central Bank and Michael Halling, Swedish House of Finance

"Mergers and Acquisitions and the Valuation of Firms"

Marcelo Bianconi, Tufts University, Chih Ming Tan, University of North Dakota and Yuan Wang, Tufts University

“US International Equity Investment and Economic Fundamentals”
Nicole Hasler, University of Basel

Session 23 (MMF): Quantitative Easing

Time: 9:00-10:15

Chair: Laura Coroneo, University of York

ROOM: BASTIONI

“The interest rate effects of government bond purchases away from the lower bound”
Rafael B. De Rezende, Sveriges Riksbank

“Why the impact of quantitative easing on yields differs between countries?”
Marien Ferdinandusse, ECB, Maximilian Freier, ECB and Annukka Ristinemi, Sveriges Riksbank

“TIPS Liquidity Premium and Quantitative Easing”
Laura Coroneo, University of York

Coffee 10:15-10:30

Session 24: RCEA Macro-Money-Finance Workshop Plenary Address

Time: 10:30-11:30

Chair: Jerzy (Jurek) Konieczny, Wilfrid Laurier University and RCEA

ROOM: SQUERO

Marco Pagano, University of Naples Federico II, CEPR and CSEF
"The Bank-Sovereign Nexus and the Case for European Safe Bonds"

Session 25 (Bayesian): Finance

Chair: Roberto Leon-Gonzalez

Time: 10:30-11:45

ROOM: OROLOGIO

"Bayesian Nonparametric Estimation of Ex-post Variance"
Jim Griffin, Jia Liu and John Maheu

"Equity Premium Forecasts with an Unknown Number of Structural Breaks"
George Bulkley, David Leslie and Simon Smith

"Bayesian Factor Modeling with Industry Momentum Strategies"
Nalan Basturk, Stefano Grassi, Lennart Hoogerheide, Herman van Dijk and Arco van Oord

Session 26 (MMF): Finance

Time: 11:45-1:00

Chair: Johanna Krenz, Humbolt University, Berlin

ROOM: LAVATOIO

“High dimensional factor model based covariance matrix estimation using l1-regularization”

Maurizio Daniele, University of Konstanz, Winfried Pohlmeier, University of Konstanz and Aygul Zagidullina, University of Konstanz

“Financial Shocks in a Non-Collateral Economy”

Hoang Khieu, Johannes Gutenberg University Mainz

“Banks' balance sheets and the international transmission of shocks”

Johanna Krenz, Humbolt University, Berlin

Session 27 (MMF): Topics in Money and Banking

Time: 11:45-1:00

Chair: Mariusz Kapuściński, Narodowy Bank Polski and Warsaw School of Economics

ROOM: BASTIONI

“Investigating the Mechanism: Central Bank Independence and Inflation Volatility”

Irfan Ahmad Qureshi, University of Warwick

“Interest rate pass-through in Poland since the global financial crisis”

Mariusz Kapuściński, Narodowy Bank Polski and Warsaw School of Economics and Ewa Stansławska, Narodowy Bank Polski

“The Residential Collateral Channel”

Saleem Bahaj, Bank of England and Centre for Macroeconomics, Angus Foulis, Bank of England and Centre for Macroeconomics and Gabor Pinter, Bank of England and Centre for Macroeconomics

Session 28: IT Forum and Bayesian Workshop Keynote Address

Time: 12:10-13:00

Chair: John Maheu

ROOM: OROLOGIO

Mark Jensen, Financial Economist and Policy Advisor, Federal Reserve Bank of Atlanta

“Mutual Fund Performance”

Lunch: 13:00-14:00

Session 29 (Bayesian): Copulas

Time: 14:00-15:15

Chair: Rodney Strachan

ROOM: OROLOGIO

"Sequential Stock Return Prediction Through Copulas"

Christoph Frey and Audra Virbickaite,

"Bayesian Inference for the Heterogeneous Thresholds Ordered Response Model"

Markus Jochmann

"Bayesian Nonparametric Estimation of a Conditional Copula Density Function"

Luciana Dalla Valle, Fabrizio Leisen and Luca Rossini

Session 30 (Bayesian): Macroeconomic Applications

Time: 14:00-15:15

Chair: Roberto Leon-Gonzalez

ROOM: SQUERO

"Liquidity Shocks and the Real Economy: Evidence from a Time-varying Bayesian Perspective"

Michael Ellington, Chris Florackis and Costas Milas

"Monetary Shocks and Job Flows: Evidence from Disaggregated Data"

Mohamad Karaki

"Monetary and Macro Prudential Policy in an Estimated DSGE Model with Banking Sector"

Ana-Maria Sandica

Session 31 (MMF): Banking Anomalies

Time: 14:00-15:15

Chair: Axelle Arquie, European University Institute

ROOM: LAVATOIO

"Fire sales, inefficient banking and liquidity ratios"

Axelle Arquie, European University Institute

"Are banks more opaque? Evidence from insider trading"

Fabrizio Spargoli, Erasmus University and Christian Upper, Bank for International Settlements

"Unbelievable balance sheets: an out-of-sample procedure for forecasting the negative net worth in banking"

Mikhail Mamonov, Higher School of Economics, Moscow

Session 32 (MMF): Problems, Puzzles, Questions and Quandaries in 19th and 20th c. Macro History

Time: 14:00-15:15

Chair: Thomas Barbiero, Ryerson University and RCEA

ROOM: BASTIONI

"John Maynard Keynes Narrates the Great Depression"

Bradley W. Bateman, Randolph College, and Robert W. Dimand, Brock University

"New Indexes of Consumer Prices for Canada, 1815-1915: The Difference Cotton Makes"

Michael Hinton, RCEA, and Vincent Geloso, LSE and University of Montreal

"Using Postal Data to Measure Interstate Business Cycles and to Observe Social and Political Mobility in the 19th Century"

Michael O'Reilly, Robert Dimand, Brock University, Terence Hines, Pace University, Thomas Velk, McGill University and Emily Sanders, McGill University

Coffee 3:15-3:30

Session 33 (Bayesian): Times Series

Time: 15:30-16:45

Chair Markus Jochmann

ROOM: OROLOGIO

"Asymmetry and Dynamic Structure of Inflation"

Błażej Mazur

"Markov Switching Stochastic Quantile Models"

Dominik Bertsche and Robin Braun,

"Bayesian Cointegration Using a Singular Distribution on the Long-run Relations Matrix"

Basile Marquier

Session 34 (Bayesian): Structural VARs

Time: 15:30-16:45

Chair: Gary Koop

ROOM: SQUERO

"Data-Driven Inference on Sign Restrictions in Bayesian Structural Vector Autoregression"

Marku Lanne and Jani Luoto

"Assessing Identifying Restrictions in SVAR Models"

Michel Piffer

Session 35 (MMF): Growth

Time: 15:30-16:45

Chair: Andrea Mantovi, Università di Parma

ROOM: LAVATOIO

“Tracking the Slowdown in Long-Run GDP Growth”

Juan Antolin-Diaz, Fulcrum Asset Management, Thomas Drechsel, LSE and CFM and Ivan Petrella, Bank of England, Birkbeck College and CEPR

“Volatility and growth: a not so-straightforward relationship”

Dimitrios Bakas, Nottingham Trent University and RCEA, Georgios Chortareas, King’s College London and Georgios Magkonis, University of Bradford

“Stochastic and path dependence effects in the diffusion of ideas”

Andrea Mantovi, Università di Parma

Session 36 (MMF): Bank Regulation

Time: 15:30-16:45

Chair: Carsten Krabbe Nielsen, Catholic University of Milan

ROOM: BASTIONI

“Bank Regulation in a Complex Environment”

Carsten Krabbe Nielsen, Catholic University of Milan and Gerd Weinrich, Catholic University of Milan

“Basel 3: Does One Size Really Fit All Banks’ Business Models?”

Giuliana Birindelli, University of Chieti-Pescara, Paola Ferretti, University of Pisa and Marco Savioli, University of Bologna and RCEA

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