

# *10<sup>th</sup> Annual Central Bank Workshop on the Microstructure of Financial Markets*

**Rome, October 2-3, 2014**

Venue: Einaudi Institute for Economics and Finance (EIEF)  
Via Sallustiana 62, Rome

## **Program**

### **Day 1: Thursday 2 October**

**08:30 - 08:45** *Registration*

**08:45 - 09:00** *Welcoming Remarks*

**09:00 - 10:00** *Keynote Lecture*

**Terry Hendershott** (University of California at Berkeley)

*“High Frequency Trading and the 2008 Short Sale Ban”*

**10:00 - 10:25** *Coffee break*

**10:25 - 12:40** *Liquidity (Plenary Session)*

**Laurence Lescouret** (ESSEC Business School), *“Liquidity Supply across Multiple Trading Venues”* (with S. Moinas)

*Discussant:* **Christine Parlour** (University of California at Berkeley)

**Jaewon Choi** (University of Illinois), *“Did Liquidity Providers Become Liquidity Seekers? Evidence from the CDS-Bond Basis during the 2008 Financial Crisis”* (with O. Shachar)

*Discussant:* **Norman Schuerhoff** (HEC Lausanne and Swiss Finance Institute)

**Bige C. Kahraman** (Stockholm School of Economics), *“Leverage Constraints and Liquidity: What Can We Learn from Margin Trading?”* (with H. Tookes)

*Discussant:* **Bernt Arne Ødegaard** (University of Stavanger)

**12:40 - 13:50:** *Lunch*

**13:50 - 15:20 Price Discovery - 1 (Parallel Session)**

**Dagfinn Rime** (BI Norwegian Business School), “*Herding the Scapegoats: Foreign Exchange Order Flow and the Time-Varying Effect of Fundamentals*” (with A. Lindahl, M. Moore and A. Shehadeh)

*Discussant:* **Alain Chaboud** (Board of Governors of the Federal Reserve System)

**Michael Fleming** (Federal Reserve Bank of New York), “*Order Flow Segmentation and the Role of Dark Trading in the Price Discovery of U.S. Treasury Securities*” (with G. Nguyen)

*Discussant:* **Andrew Ellul** (Indiana University)

**13:50 - 15:20 Liquidity Commonality and Interactions between Markets - 1 (Parallel Session)**

**Batchimeg Sambalaibat** (University of Oklahoma), “*CDS and Sovereign Bond Market Liquidity*”

*Discussant:* **Peter Feldhütter** (London Business School)

**Gyuri Venter** (Copenhagen Business School), “*International Funding Liquidity*” (with A. Malkhozov, P. Mueller and A. Vedolin)

*Discussant:* **Giovanni Walter Puopolo** (Bocconi University)

**15:20 - 15:45** *Coffee break*

**15:45 - 18:00 Models of Information Aggregation and Trading Frequency (Plenary Session)**

**Péter Kondor** (Central European University), “*Trading and Information Diffusion in OTC Markets*” (with A. Babus)

*Discussant:* **Marco Di Maggio** (Columbia University)

**Haoliang Zhu** (MIT Sloan School of Management), “*Welfare and Optimal Trading Frequency in Dynamic Double Auctions*” (with S. Du)

*Discussant:* **Giovanni Cespa** (City University London)

**Mehmet Saglam** (University of Cincinnati), “*High Frequency Traders: Taking Advantage of Speed*” (with Y. Ait-Sahalia)

*Discussant:* **Vincent Fardeau** (Frankfurt School of Finance and Management)

**20:00** *Conference dinner*

## Day 2: Friday 3 October

### **9:00 - 11:15 High-Frequency Trading and Regulatory Frictions (*Plenary Session*)**

**Kjell Jørgensen** (Norwegian Business School BI and University of Stavanger), “*Throttling Hyperactive Robots - Message to Trade Ratios at the Oslo Stock Exchange*” (with J. Skjeltop and B. Ødegaard)

*Discussant: Clara Vega* (Board of Governors of the Federal Reserve System)

**Jean-Edouard Colliard** (European Central Bank), “*Sand in the Chips? Evidence on Taxing Transactions in Modern Markets*” (with P. Hoffman)

*Discussant: Richard Payne* (City University London)

**Andriy Shkilko** (Wilfrid Laurier University), “*Competition in High-Speed Markets and Market Quality: Effects of the SEC Naked Access Ban*” (with B. Chakrabarty, P. K. Jain and K. Sokolov)

*Discussant: Bart Zhou Yueshen* (INSEAD)

**11:15 - 11:35** *Coffee break*

### **11:35 - 13:05 Price Discovery - 2 (*Parallel Session*)**

**Mao Ye** (University of Illinois at Urbana-Champaign), “*Catching Fire: An Anatomy of Information Diffusion using Retweets*” (with N. V. Chawla, Z. Da and J. Xu)

*Discussant: Thierry Foucault* (HEC Paris)

**Sergei Kovbasyuk** (EIEF), “*Advertising Arbitrage*” (with M. Pagano)

*Discussant: Joel Peress* (INSEAD)

### **11:35 - 13:05 Liquidity Commonality and Interactions between Markets - 2 (*Parallel Session*)**

**Nina Karnaukh** (University of St. Gallen), “*Understanding FX Liquidity*” (with A. Ranaldo and P. Söderlind)

*Discussant: Carol Osler* (Brandeis University)

**Miriam Marra** (University of Reading), “*Co-Movements in Equity and CDS Illiquidity*”

*Discussant: Paolo Colla* (Bocconi University)

**13:05 - 14:15: Lunch**

**14:15-15:45 Central Bank Intervention and Liquidity (Plenary Session)**

**Zhaogang Song** (Federal Reserve Board), “*Do the Federal Reserve’s Asset Purchases Harm MBS Market Liquidity?*” (with P. Schultz and Pengjie Gao)

*Discussant:* **Pab Jotikasthira** (University of North Carolina at Chapel Hill)

**Bin Wei** (Federal Reserve Bank of Atlanta), “*Liquidity Backstops and Dynamic Debt Runs*” (with V. Z. Yue)

*Discussant:* **Jean-Edouard Colliard** (European Central Bank)

**15:45 - 16:00** *Coffee break*

**16:00 - 17:00** *Keynote Lecture*

**Dimitri Vayanos** (London School of Economics)

“*Liquidity Risk and the Dynamics of Arbitrage Capital*” (with P. Kondor)

**17:00- 17:15** *Closing remarks*

**Program committee:**

Alessandro Beber (City University of London)

Giovanni Cespa (City University of London)

Andrew Ellul (Indiana University)

Martin Evans (Georgetown University)

Michael Fleming (Federal Reserve Bank of New York)

Thierry Foucalt (HEC Paris)

Ingrid Lo (Chinese University of Hong Kong and Bank of Canada)

Michael Moore (University of Warwick)

Bernt Arne Ødegaard (University of Stavanger)

Carol Osler (Brandeis University)

Marco Pagano (EIEF and University of Naples Federico II)

Christine Parlour (University of California at Berkeley)

Dagfinn Rime (BI Norwegian Business School)

Norman Schuerhoff (HEC Lausanne and Swiss Finance Institute)

Giorgio Valente (City University of Hong Kong)

Clara Vega (Board of Governors of the Federal Reserve System)