10th 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 Lescourret (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)


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


*Discussant: Andrew Ellul* (Indiana University)

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

Batchimeg Sambalaibat (University of Oklahoma), “A Theory of Liquidity Spillovers between Bond and CDS Markets”

*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)

Haoxiang 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)
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. Skjeltorp 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)


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 Foucault (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)