



BANK OF ENGLAND



BANCA D'ITALIA
EUROSISTEMA



EUROPEAN CENTRAL BANK
EUROSYSTEM

6th Workshop on

“Financial Determinants of Foreign Exchange Rates”

London, Thursday 15 – Friday 16 December 2016
Bank of England, Conference Centre

Thursday 15 December 2016

11:30 a.m. **Registration**

12:00 p.m. **Lunch**

1:00 p.m. **Opening remarks by Kristin Forbes (MIT and Member of BoE MPC)**

1:15 p.m. **Keynote speech by Tarun Ramadorai (Imperial College Business School)**

2:15 p.m. **Coffee break**

2:45 p.m. **Covered Interest Parity Deviations**

Chair: Lucio Sarno (Cass Business School and CEPR)

Failure of covered interest parity: FX hedging demand and costly balance sheets

Vladyslav Sushko* (Bank for International Settlements)

Claudio Borio (Bank for International Settlements)

Robert McCauley (Bank for International Settlements)

Patrick McGuire (Bank for International Settlements)

Discussant: Silvia Ardagna (Goldman Sachs)

Limits to Arbitrage in the Foreign Exchange Market: Evidence from FX Trade Repository Data

Gino Cenedese* (Bank of England)

Pasquale Della Corte (Imperial College Business School)

Tianyu Wang (Imperial College Business School)

Discussant: Dagfinn Rime (BI Norwegian Business School)

Deviations from Covered Interest Rate Parity

Wenxin Du* (Federal Reserve Board)

Alexander Tepper (Columbia University)

Adrien Verdelhan (MIT Sloan and NBER)

Discussant: Saskia ter Ellen (Norges Bank)

4:45 p.m. **Coffee break**

5:15 p.m. **Foreign exchange, monetary policy, and high frequency data**

Chair: Fabio Fornari (ECB)

Monetary shocks at high-frequency and their changing FX transmission around the globe

Massimo Ferrari (Bank for International Settlements and UCSC)

Jonathan Kearns* (Bank for International Settlements)

Andreas Schrimpf (Bank for International Settlements)

Discussant: Mico Loretan (Swiss National Bank)

Judgement Day: Algorithmic Trading in the Swiss Franc De-pegging

Francis Breedon* (Queen Mary University of London)

Louisa Chen

Angelo Ranaldo (University of St. Gallen)

Nick Vause (Bank of England)

Discussant: Alain Chaboud (Federal Reserve Board)

6:35 p.m. **End**

7:30 p.m. **Dinner for presenters and discussants only**

Friday 16 December 2016

8:30 a.m. **Coffee**

9:00 a.m. **Opening Remarks by Gertjan Vlieghe (Member of BoE MPC)**

9:15 a.m. **Currency Risk Factors**

Chair: Alessio Anzuini (Banca d'Italia)

Global Macro Risks in Currency Excess Returns

Kimberly A. Berg (Miami University)

Nelson C. Mark* (University of Notre Dame and NBER)

Discussant: Karen Mayhew (Bank of England)

Business Cycle Risk in Currency Markets

Steven J. Riddiough (University of Melbourne)

Lucio Sarno* (Cass Business School and CEPR)

Discussant: Thomas Maurer (Olin Business School, Washington University in St. Louis)

Currency Risk Factors in a Recursive Multi-Country Economy

Ric Colacito (Kenan-Flagler Business School, University of North Carolina-Chapel Hill)

Max Croce (Kenan-Flagler Business School, University of North Carolina-Chapel Hill)

Federico Gavazzoni* (INSEAD)

Robert Ready (Simon School, University of Rochester)

Discussant: Harjoat Bhamra (Imperial College Business School)

11:15 a.m. **Coffee break**

11:45 a.m. **Keynote Speech by Geert Bekaert (Columbia Business School)**

12:45 p.m. **Lunch**

1:45 p.m. **Microstructure and Order Flow**

Chair: Alain Chaboud (Federal Reserve Board)

Interdealer information in an augmented Taylor rule

Ingomar Krohn* (Warwick Business School, The University of Warwick)

Michael Moore (Warwick Business School, The University of Warwick)

Discussant: Paolo Vitale (University of Pescara)

Exchange Rates, Interest Rates and the Global Carry Trade

Martin D. D. Evans (Georgetown University and NBER)

Dagfinn Rime* (BI Norwegian Business School and Norges Bank)

Discussant: Thomas Nitschka (Swiss National Bank)

Dealer Trading at the Fix

Carol Osler* (Brandeis University)

Alasdair Turnbull (Clarkson University)

Discussant: Duncan Shand (Schroders and Warwick Business School)

3:45 p.m.

Coffee break

4:15 p.m.

Exchange rate dynamics

Chair: Nelson C. Mark (University of Notre Dame and NBER)

Exchange Rates and The Yield Curve

Vania Stavrakeva (London Business School)

Jenny Tang* (Federal Reserve Bank of Boston)

Discussant: Gabriele Zinna (Banca d'Italia)

**Exchange Rate Dynamics and International Business Cycles with Uncertainty
Shocks and Recursive Preferences**

Robert Kollman* (ECARES, Université Libre de Bruxelles and CEPR)

Discussant: Konstantinos Theodoridis (Bank of England)

5:35 p.m.

End

Organising committee

Alessio Anzuini (Banca d'Italia), Gino Cenedese (BoE), Fabio Fornari (ECB), and Karen Mayhew (BoE)