Asset Price Bubbles and Monetary Policy

13/14 November 2009

Cercle Républicain, Paris

Friday, 13 November

8.30 – 9.00 *Registration and coffee*

9.00 – 9.15 Welcome address Pierre Jaillet (Banque de France)

9.15 – 12.45 Session 1: Emergence of Bubbles

Chair: Pierre Jaillet (Banque de France)

A Leverage-Based Model of Speculative Bubbles

Gadi Barlevy (FRB Chicago)

Discussant: Emmanuel Farhi (Harvard)

Bubbly Liquidity

Emmanuel Farhi and Jean Tirole (TSE)

Discussant: V.V. Chari (U. Minnesota)

11.15 – 11.45 Coffee break

Risk Shifting, Fuzzy Capital Requirements and the Build up of Financial Fragility

Simon Dubecq (Banque de France), Benoit Mojon (Banque de France) and Xavier Ragot (Banque de France)

Discussant: Douglas Gale (NYU)

12.45 – 14.00 Lunch

14.00 – 17.30 Session 2: Monetary Policy and Bubbles

Chair: Jonas Fisher (Federal Reserve Bank of Chicago)

Should Central Banks Burst Bubbles? Some Microeconomic Issues

John Conlon (U. Mississippi)

Discussant: Romain Rancière (IMF-PSE)

Money Talks

Cyril Monnet (FRB Philadelphia), Marie Hoerova (ECB) and Ted Temzelides (Rice U.)

Discussant: Ricardo Lagos (NYU)

16.00 – 16.30 Coffee break

Monetary Policy and Herd Behavior in New-Tech Investment

Olivier Loisel (Banque de France), Frank Portier (TSE) and Aude Pommeret (HEC Lausanne)

Discussant: Fernando Alvarez (U. Chicago)

17.30 – 19.00 **Policy Panel : Should Monetary Policy Prevent Bubbles?**

Chair: Spencer Krane (Federal Reserve Bank of Chicago)

Charles Evans (Federal Reserve Bank of Chicago)

Jean-Pierre Landau (Banque de France)

Takeo Hoshi (University of California-San Diego)

Jean Tirole (Toulouse School of Economics)

20.30 Dinner (on invitation)

Saturday, 14 November

8.45 – 10.45 Session 3: Identifying Bubbles

Chair: Denis Beau (Banque de France)

Real Time Early Warning Indicators for Boom-Bust Asset Price Cycles

Lucia Alessi (ECB) and Carsten Detken (ECB)

Discussant: Laurent Clerc (Banque de France)

Stock Market Volatility and Learning

Klaus Adam (U. Mannheim), Albert Marcet (LSE)
and J. Pablo Nicolini (U. Torcuato Di Tella)

Discussant: Chrissy Giannitsarou (U. Cambridge)

10.45 – 11.15 Break

11.15 – 13.15 Session 4: House Prices

Chair: Olivier de Bandt (Banque de France)

Spacial Asset Pricing: A First Step

François Ortalo-Magné (U. Wis. Madison) and Andrea Prat (LSE)

Discussant: Edouard Challe (Ecole Polytechnique)

Winners and Losers in Housing Markets

Nobu Kiyotaki (Princeton U.), Alex Michaelides (LSE)
and Kalin Nikolov (Bank of England)

Discussant: Jonas Fisher (FRB Chicago)

Organisers: Gadi Barlevy (FRB Chicago)

Jonas Fisher (FRB Chicago)

Benoit Mojon (Banque de France)