

RIDGE / BANCO CENTRAL DEL URUGUAY

# WORKSHOP ON INTERNATIONAL MACRO

2019 RIDGE DECEMBER FORUM

Montevideo, Uruguay / December 9-10, 2019

## Preliminary Program

Conference venue: Banco Central del Uruguay, located at Diagonal Fabini 777, Montevideo

## Scientific Committee

Javier Bianchi (Federal Reserve Bank of Minneapolis)  
Ana Fostel (University of Virginia)  
Gerardo Licandro (Banco Central del Uruguay)  
Pablo Andrés Neumeyer (U. Torcuato di Tella)  
Juan Pablo Nicolini (Federal Reserve Bank of Minneapolis)

## Keynote Speaker

Emmanuel Farhi (Harvard University)

The Financial and Stability Development ([FSD](#)) Network of the IDB is  
co-organizer of the policy panel

# WORKSHOP PROGRAM

DECEMBER, Monday 9<sup>th</sup>.

9:15 Registration

Session 1 – Sovereign Default I

9:30 – 11:00

- **Sovereign Debt Overhang, Expenditure Composition and Debt Restructurings**

Tamon Asonuma, International Monetary Fund (co-author: Hyungseok Joo)

- **Coordinating in the Haircut. A Model of Sovereign Debt Restructuring in Secondary Markets**

Adriana Cobas, Pontificia Universidad Católica de Chile

11:00 – 11:30 Coffee Break

Session 2 – Sovereign Default II

11:30 – 13:00

- **Preferred and Non Preferred Creditors**

Andrew Powell, Inter-American Development Bank (co-author: Tito Cordella)

- **Sovereign Debt, Default Risk, and the Liquidity of Government Bonds**

Gastón Chaumont, University of Rochester

13:00 – 14:30 Lunch

Session 3 – Monetary Policy and Capital Controls I

14:30 – 16:00

- **Monetary Policy, Capital Controls, and International Portfolios**

Sebastián Fanelli, CEMFI

- **Optimal Monetary Policy under Dollar Pricing**

Dmitry Mukhin, University of Wisconsin-Madison (co-author: Konstantin Egorov)

16:00 – 16:30 Coffee Break

**16:30 – 18:00**

## **Inflation Targeting and Exchange Rate Management**

(Co-organized with the Financial Stability and Development Network of the IDB)

Large swings in capital flows impose important challenges for central banks in emerging markets. During the upswing, domestic credit expands, asset prices rise and exchange rates appreciate. When the cycle reverts, central banks face contractions in credit and asset prices, while the exchange rate depreciates. How should the inflation targeting regime be designed to deal with the cycle? When should the central bank intervene to moderate exchange rate movements and which policies should be used to accomplish this objective? When should foreign exchange intervention and capital flow management be deployed in addition to conventional monetary policy?

### **Participants:**

- **José De Gregorio**, Universidad de Chile
- **Andrew Powell**, Inter-American Development Bank
- **Gastón Gelós**, International Monetary Fund

DECEMBER, Tuesday 10<sup>th</sup>.

Plenary Talk

**10:30 – 11:30** Emmanuel Farhi, Harvard University

**11:30 – 12:00** Coffee Break

Session 4 – Monetary Policy and Capital Controls II

**12:00 – 13:30**

- **Sticky Capital Controls**

**Andrés Fernández**, Banco Central de Chile (co-authors: Miguel Acosta, Laura Alfaro)

- **Monetary Policy in Sudden Stop-prone Economies**

**Louphou Coulibaly**, University of Pittsburgh

**13:30 – 15:00** Lunch

Session 5 – Financial Development and Shadow Banks

**15:00 – 16:30**

- **Financial Development and the Effects of Trade Liberalization**

**David Kohn**, Pontificia Universidad Católica de Chile (co-authors: Fernando Leibovici, Michal Szkup)

- **Capital Regulations and the Rise of Shadow Banking**

**Radek Paluszynski**, University of Houston (co-authors: Hyunju Lee, Sunyoung Lee)

**16:30 – 17:00** Coffee Break

Session 6 – Quantitative Easing

**17:00 – 17:45**

- **Whatever it Takes: What's the Impact of a Major Nonconventional Monetary Policy Intervention?**

**Horacio Sapriza**, Federal Reserve Board (co-authors: Carlo Alcaraz, Stijn Claessens, Gabriel Cuadra, David Marques-Ibanez)