DRAFT Programme

Sunday, 7 June 2009

1700-1900 Welcome Reception and Early Registration Dining Hall Foyer

Monday, 8 June 2009

0800-1800 Registration Desk Open Upper Concourse, Level 2, Arts Building
0830-0900 Welcome Walton Theatre

“Re-structuring, reform and re-regulation: what will finance look like in 2012?”
Opening Remarks by Dan O’Brien, Senior Europe Editor/Economist, The Economist Intelligence Unit

0900-1030 Parallel Sessions 1
0930-1100 Tea & Coffee Upper Concourse
1100-1200 Plenary Session Walton Theatre

“Skewness and Systematic Risk”
Robert F Engle, Michael Armellino Professor of Finance, Stern School of Business, NYU

1200-1300 Lunch (delegates’ own arrangements)

1300-1500 Special Sessions (please note different start times)
1300-1500 Special Session A Walton Theatre

“The Ontology of Moral Hazard in International Finance”

1330-1500 Special Session B Emmet Theatre

“Asset Management and International Volatility”

1500-1515 Tea & Coffee Upper Concourse
1515-1615 Special Session C Walton Theatre

“Is there value in Corporate Governance Rankings?”

1615-1630 Tea & Coffee Upper Concourse
1630-1800 Parallel Sessions 2
1930 Social Evening
Tuesday, 9 June 2009

0800-1800 Registration Desk Open

0830-1000 Parallel Sessions 3

1000-1015 Tea & Coffee

1015-1145 Parallel Sessions 4

1145-1200 Tea & Coffee

1200-1300 Plenary Session

“The recent global crisis and how to measure its contagion”
Roberto Rigobon, Associate Professor, Sloan School of Management, MIT

1300-1330 Lunch (delegates’ own arrangements)

1330-1500 Parallel Sessions 5

1500-1515 Tea & Coffee

1515-1615

“Financial Stability: Experiences on both sides of the Atlantic”
Special Session D
“Research & Industry Interface in Sustainable Investments”
Special Session E

1615-1630 Tea & Coffee

1630-1800 Parallel Sessions 6

1900 Conference Gala Dinner

The Guinness Storehouse, St James’ Gate, Dublin 8
**Special Sessions**

**Special Session A**  
Monday, 8 June 2009, 1300-1500 hrs  
Walton Theatre

"The Ontology of Moral Hazard in International Finance"

*A Symposium organised by*

*Linda Hogan, Professor of Ecumenics, Trinity College Dublin*  
*Colm Kearney, Professor of International Business, Trinity College Dublin*  
*Brian Lucey, Associate Professor in Finance, Trinity College Dublin*  
*Khurshid Ahmad, Professor of Computer Science, Trinity College Dublin*

As we approach the end of the first decade of the third millennium, the world is faced with a complex set of inter-related challenges.

- A patently unfair global trading system that fosters chronic poverty, hunger, ill-health, pandemic disease, AIDS, religious polarisation, terrorism and war;
- A defunct international financial system with costly, unaccountable, outdated monolithic institutions and ineffective regulatory coordination that causes instability, crisis and recession;
- Rapid climate change, environmental destruction, resource depletion and nuclear proliferation; and
- Rising inequality, inadequate access to education, healthcare and care for the aged, leading to social exclusion and political alienation.

These challenges are not new – but our failure to overcome them necessitates renewed efforts to work more effectively using all our talents and ingenuity to seek new solutions and provide a better world for future generations.

Over the ages, methods and techniques have been developed to further our understanding of complex business, cultural, moral and social processes, and to provide a consistent platform to develop new insights and new policy approaches. Since they seek to interrogate the essential elements of these processes, such methods and techniques, based on subjects as diverse as ethics, economics and finance, linguistics, philosophy and psychology, may be described under the rubric term *ontology*.

Our work in applied ethics, finance studies and sentiment analysis, has motivated us to organise a symposium on the ontology of moral hazards: we wish to explore the scope and limits of state intervention in the conduct of sections of the global village to undertake excessive risks. We have invited international experts to frame the discussion. A multidisciplinary audience from the worlds of computer science, business, ecumenics, epistemology, finance, informatics, linguistics, philosophy, politics, semantics, sociology, theology and religions will actively participate in the symposium.

The symposium will focus on the ontology of moral hazard pertaining to these big challenges.

**Discussants:**

"How Language Shapes Thought, Sentiment and Action" by Sam Glucksberg, Emeritus Professor of Psychology, Princeton University

Abstract: Language can have powerful effects on judgment, decision-making, reasoning and perception. I review the principles of human cognition and perception that mediate the effects of language – particularly metaphorical language – in the contexts of economics and social policy. I analyze how figurative language, from euphemisms to analogies and metaphors, is used in the media. The unintended consequences of choosing one metaphor rather than another constitute a media hazard: systematic biasing of financial expectations and investor decision making.
“The Ontology of Moral Hazard: The Idea of the Financial” by Nimi Wariboko, Katherine B Stuart
Associate Professor of Christian Ethics, Andover Newton Theological School (ANTS)

Abstract: This paper investigates and describes the idea of the financial. The critical knowledge gained from the investigation is used to examine the ontology of moral hazard of the current global financial crisis. The main argument of the paper is that finance is inherently hazardous and that specific moral hazards of individuals in the current crisis arose from its primordial hazard, from the radical uncertainty that pertains to it. It concludes by providing an ethical perspective for contesting the ruling ideas of the current financial industry and for managing financial systems ahead of the next crisis.

“Moral Ontology and Moral Hazard” by Scott R Paeth, Assistant Professor of Religious Studies, DePaul University

Abstract: This paper examines the moral background to the current financial crisis in light of the idea of “moral ontology.” Moral ontology is an attempt to describe the underlying ethical worldview that motivates the attitudes and behaviours of people in a given context. In the realm of business and economics, the past two decades has seen an increasing division between the individual morality and the imperative toward profit maximization. This reflects a moral ontology that denies the interconnectedness between business and the rest of society, and the responsibility of participants in the business world for the social whole. The path out of the current financial crisis lies beyond questions of financial regulation and banking reform, and leads toward a refashioning of the moral ontology of capitalist societies in order to reinstate the importance of ethical responsibility at every level of social and economic interaction.

Special Session B
Monday, 8 June 2009, 1330-1500 hrs
Emmet Theatre

“Asset Management and International Volatility”
A Roundtable moderated by Aleksander Sevic, Trinity College Dublin, featuring

- Diego Franzin, Head of Global Quantitative Research & Management, Pioneer Investment Management Ltd
- Joe Naughton, Head of Structured Products, Allied Irish Banks plc
- Giuseppe Insalaco, Entrepreneur
- Marco Lazzarino, Head of Strategy Management Desk, MPS Asset Management Ireland Ltd

Special Session C
Monday, 8 June 2009, 1515-1615 hrs
Emmet Theatre, Level 2

“Is there value in Corporate Governance Rankings?”
A Symposium on the Scorecard Dilemma

Corporate governance scorecards attempt to capture the complexity of governance by a checklist. These checklists have two origins: academic research and professional service providers. However, there are many factors which are not easily distilled into the scorecard approach but which may be more critical to evaluating the quality of governance than what is obtained from these summary snapshots.

Introduction by Raj Aggarwal, The University of Akron, and Sandra Dow, UQAM Université du Québec à Montréal

“Certification by prestigious lead underwriters” by William Megginson, The University of Oklahoma

“Promise and Peril of corporate governance indices” by Roberta Romano, Yale Law School Center for the Study of Corporate Law

Wrap-up and Questions from the audience
Special Session D
Tuesday, 9 June 2009, 1515-1615 hrs
Walton Theatre, Level 2

“Financial Stability: Experiences on both sides of the Atlantic”
A Roundtable moderated by Frank Brown, Head of Monetary Policy and Financial Stability, Irish Financial Services Regulatory Authority, featuring

- “Money Markets Freeze: Causes and developments since August 2007” by Gerald P Dwyer, Director of Center for Financial Innovation and Stability, Federal Reserve Bank of Atlanta
- “The financial crisis and the Fed response” by James Lothian, Fordham University
- “Financial Stability in the EU: Multiple regulators and incentives to cooperate” by Maria J Nieto, Senior Advisor, Banco de España
- “The European Central Bank and financial supervision” by Gerard Hertig, ETH Zentrum

Special Session E
Tuesday, 9 June 2009, 1515-1615 hrs
Emmet Theatre, Level 2

“Research & Industry Interface in Sustainable Investments”
A Roundtable moderated by Constantin Gurdgiev, Trinity College Dublin, featuring

- Steve Falci, KBC Asset Management
- Nick Robins, HSBC Bank Plc
- Dennis McLeavey, CFA Institute
- John Devitt, Transparency International Ireland
## Parallel Sessions at a Glance

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Parallel Sessions

*Where there are multiple authors, an asterisk indicates the presenting author.

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<td><strong>Corporate Governance and Cross-Border Acquirer Returns</strong></td>
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<td><em>Paul Moon Sub Choi, Cornell University, USA</em></td>
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<td>Seth H Huang, Cornell University, USA</td>
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<td><strong>Political Hazards, Corporate Financing, and International Investment Decisions - Empirical Evidence for German Firms</strong></td>
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<td>Malte Brockmann, European Business School, Germany</td>
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<td>Discussant: Sandra Dow, UQAM Université du Québec à Montréal, Canada</td>
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| **Session 1b: Banking and Funding** |
| Chair: Laetitia Lepetit, Université de Limoges, France |
| **Why foreign banks withdraw?** |
| *Aneta Hryckiewicz, Johann Wolfgang Goethe Universität Frankfurt am Main, Germany* |
| Oskar Kowalewski, Warsaw School of Economics, Poland |
| Discussant: Michael Ehrmann, European Central Bank, Germany |
| **Integrated models of capital adequacy – Why banks are undercapitalised** |
| *Alexander J McNeil, Heriot-Watt University, UK* |
| Axel Kirchner, Barrie & Hibbert Limited, UK |
| Discussant: Aneta Hryckiewicz, Johann Wolfgang Goethe Universität Frankfurt am Main, Germany |
| **Convergence and Anchoring of Yield Curves in the Euro Area** |
| *Michael Ehrmann, European Central Bank, Germany* |
| Marcel Fratzscher, European Central Bank, Germany |
| Refet S Gürkaynak, Bilkent University, Turkey |
| Eric T Swanson, Federal Reserve Bank of San Francisco, USA |
| Discussant: Alexander J McNeil, Heriot-Watt University, UK |

| **Session 1c: Convergence** |
| Chair: Peter Claeys, Universitat de Barcelona, Spain |
| **Should we expect Financial Integration to affect the Business Cycle?** |
| Jens Iversen, University of Southern Denmark, Denmark |
| Discussant: Peter Claeys, Universitat de Barcelona, Spain |
| **Cultural Dimensions of Corporate Governance Systems** |
| Wolfgang Breuer, RWTH Aachen University, Germany |
| *Astrid Salzmann, RWTH Aachen University, Germany* |
| Discussant: Jens Iversen, University of Southern Denmark, Denmark |
| **The Paradox of Non-Interest Income Convergence** |
| Angelos Antzoulatos, University of Piraeus, Greece |
| Ekaterini Panopoulou, University of Piraeus, Greece |
| *Chris Tsoumas, University of Piraeus & Athens University of Economics and Business, Greece* |
| Discussant: Astrid Salzmann, RWTH Aachen University, Germany |
| **Debt, interest rates, and international capital flows** |
| *Peter Claeys, Universitat de Barcelona, Spain* |
| Rosina Moreno, Universitat de Barcelona, Spain |
| Jordi Suriñach, Universitat de Barcelona, Spain |
| Discussant: Chris Tsoumas, University of Piraeus & Athens University of Economics and Business, Greece |
### Parallel Sessions 1: Monday, 8 June 2009
#### 0900-1030

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- **The spread of international financial shocks on East Asian countries**  
  Céline Gimet, Université Lumière Lyon 2 / GATE, CNRS, France  
  Discussant: Gilbert Mbara, CERGE-EI Center for Economic Research and Graduate Education, Czech Republic

- **Assessing Financial Market Integration in Asia – Equity Markets**  
  Ip-wing Yu, Hong Kong Monetary Authority, Hong Kong  
  Chi-sang Tam, Hong Kong Monetary Authority, Hong Kong  
  Discussant: Céline Gimet, Université Lumière Lyon 2 / GATE, CNRS, France

- **Financial Integration and Risk Sharing in the EAC**  
  Gilbert Mbara, CERGE-EI Center for Economic Research and Graduate Education, Czech Republic

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- **The Value Relevance of Effective Investor Relations**  
  Vineet Aggarwal, Cranfield School of Management, UK  
  *Xijuan (Angel) Liao Belotti, The University of Edinburgh, UK  
  Richard J Taffler, The University of Edinburgh, UK  
  Discussant: Stefan Hochguertel, Vrije Universiteit Amsterdam, Netherlands

- **Economic and Financial Predicaments, 2007-2010**  
  *Warren Hogan, University of Technology, Sydney, Australia  
  Jonathan Batten, Hong Kong University of Science & Technology, Hong Kong  
  Discussant: Xijuan (Angel) Liao Belotti, The University of Edinburgh, UK

- **US and European Household Debt and Credit Constraints: Comparative Micro Evidence from the Last 15 Years**  
  Jonathan Crook, The University of Edinburgh, UK  
  *Stefan Hochguertel, Vrije Universiteit Amsterdam, Netherlands  
  Discussant: Warren Hogan, University of Technology, Sydney, Australia

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<td>Chair: Anthony Murphy, University of Oxford, UK</td>
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- **Housing Market Heterogeneity in a Monetary Union**  
  Margarita Rubio, Banco de España, Spain  
  Discussant: Anthony Murphy, University of Oxford, UK

- **Three Cycles: Housing, Credit, and Real Activity**  
  *Deniz Igan, IMF International Monetary Fund, USA  
  Alain Kabundi, University of Johannesburg, South Africa  
  Francisco Nadal de Simone, Central Bank of Luxembourg, Luxembourg  
  Marcelo Pinheiro, Cornerstone Research, USA  
  Natalia Tamirisa, IMF International Monetary Fund, USA  
  Discussant: Margarita Rubio, Banco de España, Spain

- **Housing Prices and Credit Constraints: Making Sense of the US Experience**  
  John V Duca, Federal Reserve Bank of Dallas & Southern Methodist University, USA  
  *Anthony Murphy, University of Oxford, UK  
  Discussant: Deniz Igan, IMF International Monetary Fund, USA

- **Joint Probability Distributions and Meta Models: An Empirical Example of Interest Rates and Housing Prices to Ascertain the Probability of Insolvency**  
  *Thomas Lutton, Federal Housing Finance Agency, USA  
  Arthur Hogan, Federal Housing Finance Agency, USA
Parallel Sessions 1: Monday, 8 June 2009
0900-1030

Session 1g: Sovereign Debt and Assets
Chair: Filipa Sá, Bank of England, UK

Are Sovereign Debt Crises Fundamentals Decoupling from Global Factors?
Guillermo Felices, Citibank, UK
*Tomasz Wieladek, Bank of England, UK
Discussant: Filipa Sá, Bank of England, UK

Sovereign Default and Banking
*Igor Livshits, The University of Western Ontario, Canada
Koen Schoors, Ghent University, Belgium
Discussant: Tomasz Wieladek, Bank of England, UK

The Macroeconomic Implications of Sovereign Wealth Funds
*Filipa Sá, Bank of England, UK
Francesca Viani, European University Institute, Italy
Discussant: Igor Livshits, The University of Western Ontario, Canada

Session 1h: Models
Chair: Rosario Monter, Universitat de les Illes Balears, Spain

Aggregate US Merger levels: An explained markov switching analysis
*Sarah Reilly, Trinity College Dublin, Ireland
Brian M Lucey, Trinity College Dublin, Ireland
Discussant: Rosario Monter, Universitat de les Illes Balears, Spain

Maximum Likelihood Estimation of Stable Paretoian Distributions applied to Index and Option Data
*Stephen Kinsella, University of Limerick, Ireland
Fergal O’Brien, University of Limerick, Ireland
Discussant: Sarah Reilly, Trinity College Dublin, Ireland

Switching Parisians: A default-risk model with macroeconomic effects
Rosario Monter, Universitat de les Illes Balears, Spain
Discussant: Stephen Kinsella, University of Limerick, Ireland

Session 1i: Institutions
Chair: Massimiliano Onorato, Università Bocconi, Italy

The Institutional Environment and the Speed of Adjustment to the Optimal Debt Ratio: An Analysis for Developed Countries
*Eleuterio Vallelado, Universidad de Valladolid, Spain
Paolo Saona, Saint Louis University - Madrid Campus, Spain
Discussant: Candida Ferreira, Universidade Técnica de Lisboa, ISEG & UECE, Portugal

Which Reforms Work and under What Institutional Environment: Evidence from a New Dataset on Structural Reforms
*Massimiliano Onorato, Università Bocconi, Italy
Chris Papageorgiou, IMF International Monetary Fund, USA
Alessandro Prati, IMF International Monetary Fund, USA
Discussant: Eleuterio Vallelado, Universidad de Valladolid, Spain

The European Credit Market and Institutions
Candida Ferreira, Universidade Técnica de Lisboa, ISEG & UECE, Portugal
Discussant: Massimiliano Onorato, Università Bocconi, Italy
### Parallel Sessions 2: Monday, 8 June 2009
**1630-1800**

#### Session 2a: Corporate Governance II
**Chair:** Malte Brockmann, European Business School, Germany

- **Blockholdings and Corporate Governance in the EU Banking Sector**
  - Matthias Köhler, ZEW Centre for European Economic Research, Germany
  - Discussant: William Megginson, The University of Oklahoma, USA

- **Do Countries Matter in Predicting Changes in Firm-level Corporate Governance?**
  - Marcus Alves, Marquette University, USA
  - *Matthew Morey, Pace University, USA*
  - Discussant: Matthias Köhler, ZEW Centre for European Economic Research, Germany

- **Employee Ownership, Board Representation, and Corporate Financial Policies**
  - Edith Ginglinger, Université Paris IX Dauphine, France
  - *Matthew Morey, Pace University, USA*
  - Timothée Wasin, Université Paris IX Dauphine, France
  - Discussant: Matthias Köhler, ZEW Centre for European Economic Research, Germany

#### Session 2b: Bank Ownership and Efficiency
**Chair:** Alexander J McNeil, Heriot-Watt University, UK

- **Bank Ownership Structure, Market Discipline and Risk: Evidence from a Sample of Privately Owned and Publicly Held European Banks**
  - Thierno Barry, Université de Limoges, France
  - *Laetitia Lepetit, Université de Limoges, France*
  - Amine Tarazi, Université de Limoges, France
  - Discussant: Gerald P Dwyer, Federal Reserve Bank of Atlanta, USA

- **Banks' cost efficiency. Kazakhstan and Russia**
  - Anatoly Peresetsky, New Economic School & CEMI RAS, Russian Federation
  - Discussant: Laetitia Lepetit, Université de Limoges, France

- **Ownership Structure and Bank Efficiency in the Asia Pacific Region**
  - Jose Dacanay Santos, University of the Philippines, Philippines
  - Thierno Barry, Université de Limoges, France
  - *Laetitia Lepetit, Université de Limoges, France*
  - Amine Tarazi, Université de Limoges, France
  - Discussant: Anatoly Peresetsky, New Economic School & CEMI RAS, Russian Federation

#### Session 2c: Crises
**Chair:** Deniz Igan, IMF International Monetary Fund, USA

- **Complexity and Crises in Financial Systems**
  - Kartik Anand, King’s College London, University of London, UK
  - Simon Brennan, Bank of England, UK
  - Prasanna Gai, Australian National University, Australia
  - Sujit Kapadia, Bank of England, UK
  - *Matthew Willison, Bank of England, UK*
  - Discussant: Ola Sholarin, University of Westminster, UK

- **A New Paradigm in Banking and Finance**
  - Kazem Falahati, Glasgow Caledonian University, UK
  - Discussant: Matthew Willison, Bank of England, UK

- **An Anatomy of Disaster: A Comprehensive Analysis of the 2007-2009 Credit Crunch, and Financial-Liquidity Crisis**
  - *Ola Sholarin, University of Westminster, UK*
  - Jose M Feria Dominguez, Universidad Pablo de Olavide, Spain
  - Enrique J. Jiménez Rodriguez, Universidad Pablo de Olavide, Spain
  - Discussant: Kazem Falahati, Glasgow Caledonian University, UK
Parallel Sessions 2: Monday, 8 June 2009
1630-1800

**Session 2d: Volatility and Markets**
Chair: Eliseo Navarro Arribas, Universidad de Castilla-La Mancha, Spain

The Relevance of Accuracy for the Impact of Macroeconomic News on Volatility
*Helinä Laakkonen, University of Helsinki, Finland
Markku Lanne, University of Helsinki, Finland
Discussant: Mª Isabel Martínez Serna, Universidad de Murcia, Spain

Monetary Policy, Model Uncertainty and Exchange Rate Volatility
Agnieszka Markiewicz, Erasmus Universiteit Rotterdam, Netherlands
Discussant: Helinä Laakkonen, University of Helsinki, Finland

The predictive power of interest rate volatility on Economic Sentiment: Evidence for Germany and the United Kingdom
*Mª Isabel Martínez Serna, Universidad de Murcia, Spain
Eliseo Navarro Arribas, Universidad de Castilla-La Mancha, Spain
Discussant: Agnieszka Markiewicz, Erasmus Universiteit Rotterdam, Netherlands

**Session 2e: Currency Effects**
Chair: Leonard C MacLean, Dalhousie University, Canada

Sources of Unexpected Exposure in G7 Industry Stock Returns
*Don Bredin, University College Dublin, Ireland
Stuart Hyde, The University of Manchester, UK
Discussant: Leonard C MacLean, Dalhousie University, Canada

Integrated Foreign Exchange Risk Management: The Role of Import in Medium-Sized, Manufacturing Firms
*Tom Aabo, University of Aarhus, Denmark
Eben Høg, University of Aarhus, Denmark
Jochen Kuhn, A P Møller – Maersk A/S, Denmark
Discussant: Don Bredin, University College Dublin, Ireland

Currency Regimes and Weak Interest Rate Parity
*Leonard C MacLean, Dalhousie University, Canada
Yonggan Zhao, Dalhousie University, Canada
William T Ziemba, The University of British Columbia, Canada
Discussant: Tom Aabo, University of Aarhus, Denmark

**Session 2f: Housing II**
Chair: Ricardo M Sousa, Universidade do Minho, NIPE, London School of Economics & FMG, Portugal

Modelling a Housing and Mortgage Crisis
Charles A E Goodhart, London School of Economics, UK
Dimitrios P Tsomocos, University of Oxford, UK
*Alexandros P Vardoulakis, University of Oxford, UK
Discussant: Ricardo M Sousa, Universidade do Minho, NIPE, London School of Economics & FMG, Portugal

Housing, mortgage credit and economic activity: are the US and the euro area different?
Alberto Musso, European Central Bank, Germany
Stefano Neri, Banca d’Italia, Italy
*Livio Stracca, European Central Bank, Germany
Discussant: Alexandros P Vardoulakis, University of Oxford, UK

Ricardo M Sousa, Universidade do Minho, NIPE, London School of Economics & FMG, Portugal
Discussant: Livio Stracca, European Central Bank, Germany
### Parallel Sessions 2: Monday, 8 June 2009  
**1630-1800**

#### Session 2g: Sovereign Credit Markets  
**Chair:** Gerard Gannon, Deakin University, Australia  

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Discussant: Gerard Gannon, Deakin University, Australia |
| EMU and European Government Bond Market Integration                    | Pilar Abad, Universidad Rey Juan Carlos & RFA-IREA, Spain  
Helena Chuliá, Universitat Oberta de Catalunya, Spain  
Marta Gómez-Puig, Universidad de Barcelona & RFA-IREA, Spain  
Discussant: Iuliana Ismailescu, Pace University, USA |
| Regional Stochastic Dynamics in Emerging Market Sovereign Eurobonds     | Kannan Thuraisamy, Deakin University, Australia  
Discussant: Helena Chuliá, Universitat Oberta de Catalunya, Spain |

#### Session 2h: Studies  
**Chair:** Graham Partington, The University of Sydney, Australia  

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Robert C Jung, Universität Erfurt, Germany  
Discussant: Graham Partington, The University of Sydney, Australia |
| Exchange Rate Risk, Transactions Costs and the Forward Bias Puzzle     | Asani Sarkar, Federal Reserve Bank of New York, USA  
Discussant: Thomas Dimpfl, Universität Erfurt, Germany |
| Rating Migrations: The Effect of History and Time                      | Graham Partington, The University of Sydney, Australia  
Discussant: Asani Sarkar, Federal Reserve Bank of New York, USA |

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**Chair:** Kevin Davis, The University of Melbourne, Australia  

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Robert Oshinsky, FDIC Federal Deposit Insurance Corporation, USA  
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| The impact of Basel I capital regulation on bank deposits and loans in Europe: What can we learn for Basel II? | Birgit Schmitz, Universität Bonn, Germany  
Discussant: Edward J Kane, Boston College, USA |
| Pricing Credit Insurance: Are Customers Exploited in the UK payment protection insurance market? | Robert Hudson, Newcastle University, UK  
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*Anzhela Knyazeva, University of Rochester, USA  
Diana Knyazeva, University of Rochester, USA  
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Bernard Yeung, National University of Singapore & New York University, Singapore  
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| **Great moderation at the firm level? Unconditional versus conditional output volatility**  
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Jörg Döpke, University of Applied Sciences, Merseburg, Germany  
*Kerstin Stahn, Deutsche Bundesbank, Germany  
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| **Two Paths to Financial Distress**  
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*Christine Brown, The University of Melbourne, Australia  
Qi Zeng, The University of Melbourne, Australia  
Discussant: Kerstin Stahn, Deutsche Bundesbank, Germany |

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| **Domestic or US News: What Drives Canadian Financial Markets?**  
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| **International Financial Transmission: Merging and Mature Markets**  
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Discussant: Selia O Donohoe, Waterford Institute of Technology, Ireland |

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Chair: Kaz Falahati, Glasgow Caledonian University, UK |
| **Public Investment and Economic Growth in the European Member States**  
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*Bruno Ćorić, University of Split, Croatia  
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| **International Crises, Instability Periods and Contagion: The Case of the ERM**  
*Emanuele Bacchiocchi, Università degli Studi di Milano, Italy  
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**Session 4a: Firms and Forecasts**
Chair: Timo Korkeamäki, Hanken School of Economics, Finland

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S Martin, The University of Sydney, Australia
*Maurice Peat, The University of Sydney, Australia
Discussant: Timo Korkeamäki, Hanken School of Economics, Finland

Predicting Takeovers in the UK and USA
Julian Perez Alzueta, Trinity College Dublin, Ireland
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The effects of the Euro on interest rate sensitivity
Timo Korkeamäki, Hanken School of Economics, Finland
Discussant: Julian Perez Alzueta, Trinity College Dublin, Ireland

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Chair: Louis Gagnon, Queen’s University, Canada

US-Global Net Equity Flows: Profit Seeking Motives amidst Long Memory Properties
Stephen Miller, Monash University, Australia
Discussant: Goetz von Peter, Bank for International Settlements, Switzerland

On US Monetary Policy and International Asset Prices
Helmut Herwartz, Christian Albrechts Universität zu Kiel, Germany
*Leonardo Morales-Arias, Christian Albrechts Universität zu Kiel, Germany
Discussant: Stephen Miller, Monash University, Australia

The Origins of the US Dollar Shortage in Global Banking
Patrick McGuire, Bank for International Settlements, Switzerland
*Goetz von Peter, Bank for International Settlements, Switzerland
Discussant: Leonardo Morales-Arias, Christian Albrechts Universität zu Kiel, Germany

c Davis Theatre, Level 2

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Chair: Jorge Leon, Università Bocconi, Italy

Gains from Financial Integration and Trade Openness: a Quantitative Analysis
Marta Arespa, Universitat Autònoma de Barcelona, Spain
Discussant: Michael Artis, University of Swansea, UK

Business Cycle, Currency and Trade, Revisited
*Michael Artis, University of Swansea, UK
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**Session 4d: Volatility**
Chair: Deniz Ozenbas, Montclair State University, USA

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*Lucia Morales, Dublin Institute of Technology, Ireland
Bernadette Andressso, University of Limerick, Ireland
Discussant: Deniz Ozenbas, Montclair State University, USA

The impact of different players on the volume-volatility relation in the foreign exchange market
*Geir Høidal Bjønnes, The Norwegian School of Management BI, Norway
Haakon Solheim, Norges Bank (The Central Bank of Norway), Norway
Discussant: Lucia Morales, Dublin Institute of Technology, Ireland

Rude Awakenings: The Behavior of Volatility at the Open and Across the Trading Day
*Deniz Ozenbas, Montclair State University, USA
Michael S Pagano, Villanova University, USA
Robert A Schwartz, The City University of New York, Baruch College, USA
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- **Chair:** Petri Jylhä, Helsinki School of Economics, Finland

**Exchange Rate Regime, Real Misalignment and Currency Crises**
- Oliver Holtemöller, RWTH Aachen University, Germany  
* Sushanta Mallick, Queen Mary, University of London, UK  
- Discussant: Fang Liu, Katholieke Universiteit Leuven, Belgium

**On the Growth Impact of Exchange Rate Regimes: Do Political Institutions Matter?**
- Sarantis Kalyvitis, Athens University of Economics and Business, Greece  
* Higeneia Skotida, Athens University of Economics and Business & Bank of Greece, Greece  
- Discussant: Sushanta Mallick, Queen Mary, University of London, UK

**Why are some currencies viewed as benchmarks? The Roles of Interest Rates, Economic Size, and Exchange-Rate Regime**
- Fang Liu, Katholieke Universiteit Leuven, Belgium  
- Discussant: Ifigeneia Skotida, Athens University of Economics and Business & Bank of Greece, Greece

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**Session 4f: Global Integration**
- **Chair:** Vadym Volosovych, Florida Atlantic University, USA

**International Diversification in Debt vs Equity**
- David Amdur, Georgetown University, USA  
- Discussant: Vadym Volosovych, Florida Atlantic University, USA

**The International Wealth Effect: A Global Error-Correcting Analysis**
- Robert Vermeulen, Université du Luxembourg & Maastricht University, Luxembourg  
- Nils Holinski, Maastricht University, Netherlands  
- Discussant: David Amdur, Georgetown University, USA

**Deep Financial Integration and Volatility**
- Sebnem Kalemli-Ozcan, Université du Luxembourg & Maastricht University, Luxembourg  
- Nils Holinski, Maastricht University, Netherlands  
- Discussant: Vadym Volosovych, Florida Atlantic University, USA

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- **Chair:** Chandrasekhar Krishnamurti, Auckland University of Technology, New Zealand

**The Impact of Foreign Macroeconomic News on Financial Markets in the Czech Republic, Hungary and Poland**
- David Buettrner, Philipps-Universität Marburg, Germany  
- Bernd Hayo, Philipps-Universität Marburg, Germany  
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- Discussant: Chandrasekhar Krishnamurti, Auckland University of Technology, New Zealand

**Foreign Ownership Restrictions and Cross-Border Markets for Corporate Control**
- Sviatoslav Moskalev, Adelphi University, USA  
- Discussant: David Buettrner, Philipps-Universität Marburg, Germany

**Foreign Institutional Investors and Security Returns: Evidence from Indian Stock Exchanges**
- Sandhya Ananthanarayanan, CRISIL, India  
- Chandrasekhar Krishnamurti, Auckland University of Technology, New Zealand  
- Discussant: Sviatoslav Moskalev, Adelphi University, USA

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**Session 4h: Corporate Credit Markets**
- **Chair:** Robert E Krainer, University of Wisconsin-Madison, USA

**Guilt by association: Creditor rights and industry effects in lending**
- Anzhela Knyazeva, University of Rochester, USA  
- Diana Knyazeva, University of Rochester, USA  
- Discussant: Serafeim Tsoukas, The University of Nottingham, UK

**What Effects Have Asian Bond Market Initiatives Had on the Issue of Corporate Bonds in Asia?**
- Serafeim Tsoukas, The University of Nottingham, UK  
- Discussant: Anzhela Knyazeva, University of Rochester, USA

**On the Role of a Stock Market in the European Bank Loan Market: A Study of France, Germany, and the Euro Area**
- Robert E Krainer, University of Wisconsin-Madison, USA  
- Discussant: Diana Knyazeva, University of Rochester, USA

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**Session 4i: Corporate Credit Markets**
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*Exchange Traded Contracts for Difference: Design, Pricing and Effects*  
Christine Brown, The University of Melbourne, Australia  
Jonathan Dark, The University of Melbourne, Australia  
*Kevin Davis, The University of Melbourne, Australia  
Discussant: Cesario Mateus, The University of Greenwich, UK

*Trading LIFFE FTSE 100 ESX Index Option Contracts*  
*Fergal O’Brien, University of Limerick, Ireland  
Tadhg Long, University of Limerick, Ireland  
Eoin O’Slaughnessy, University of Limerick, Ireland  
Discussant: Kevin Davis, The University of Melbourne, Australia

*Does trade credit facilitate access to bank finance? Empirical evidence from Portuguese and Spanish small medium size enterprises*  
Ana Paula Gama, Universidade da Beira Interior, Portugal  
*Cesario Mateus, The University of Greenwich, UK  
Andreia Teixeira, Universidade da Beira Interior, Portugal  
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*The Benefits of Financial Markets: A Case Study of European Football Clubs*  
*Conor McKeating, Dublin City University, Ireland  
Dirk G Baur, Dublin City University, Ireland  
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*Dividend Policy in Japan: Evidence of Keiretsu Tunneling*  
Raj Aggarwal, The University of Akron, USA  
*Sandra Dow, UQAM Université du Québec à Montréal, Canada  
Discussant: Conor McKeating, Dublin City University, Ireland

*Keiretsu Affiliation and Stock Market Driven Acquisitions*  
*Christine Brown, The University of Melbourne, Australia  
Carlson Fung, The University of Melbourne, Australia  
Discussant: Sandra Dow, UQAM Université du Québec à Montréal, Canada

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Colm Kearney, Trinity College Dublin, Ireland  
Discussant: Colm Kearney, Trinity College Dublin, Ireland

*Equity Premia Across the Globe: Influence of Inequality and Other National Characteristics*  
Raj Aggarwal, The University of Akron, USA  
*John W Goodell, The University of Akron, USA  
Discussant: Charles Reuter, ESCP-EAP (European School of Management) & Université de Paris X, France

*FPI and culture: a gravity perspective*  
Colm Kearney, Trinity College Dublin, Ireland  
Discussant: John W Goodell, The University of Akron, USA
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- **Organising Equity Exchanges**  
  Torsten Schaper, Johann Wolfgang Goethe Universität Frankfurt am Main, Germany  
  Discussant: Don Bredin, University College Dublin, Ireland

- **Trading Costs for Futures in the European Emissions Trading Scheme**  
  Andros Gregoriou, University of East Anglia, UK  
  Jerome V Healy, University of East Anglia, UK  
  Discussant: Torsten Schaper, Johann Wolfgang Goethe Universität Frankfurt am Main, Germany

- **An Analysis of the EU Emission Trading Scheme**  
  *Don Bredin, University College Dublin, Ireland  
  Cal B Muckley, University College Dublin, Ireland  
  Discussant: Jerome V Healy, University of East Anglia, UK

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Chair: Christos S Savva, Cyprus University of Technology, Cyprus

- **Integration in the European retail-banking sector: Evidence from savings and lending rates**  
  *Aarti Rughoo, London Metropolitan University, UK  
  Nicholas Sarantis, London Metropolitan University, UK  
  Discussant: Christos S Savva, Cyprus University of Technology, Cyprus

- **Measuring European Stock Market Integration Via a Stochastic Discount Factor Approach**  
  *Andreas Hanhardt, ESADE Business School, Spain  
  Carmen Ansotegui, ESADE Business School, Spain  
  Discussant: Aarti Rughoo, London Metropolitan University, UK

- **Modelling change in financial market integration: Eastern Europe**  
  Nektarios Alamidis, Universitat Rovira I Virgili, Spain  
  Mardi Dungey, University of Tasmania, Australia  
  *Christos S Savva, Cyprus University of Technology, Cyprus  
  Discussant: Andreas Hanhardt, ESADE Business School, Spain

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Chair: Frank McGroarty, University of Southampton, UK

- **Timing Exchange Rates Using Order Flow: The Case of the Loonie**  
  Michael King, Bank for International Settlements, Switzerland  
  Lucia Sarno, City University London, UK  
  *Elvira Sojli, Rotterdam School of Management, Netherlands  
  Discussant: Frank McGroarty, University of Southampton, UK

- **Excess Comovements in the Foreign Exchange Market with an Application to the Euro-GBP-USD triplet**  
  Michael Kuehl, Georg-August-Universität Göttingen, Germany  
  Discussant: Elvira Sojli, Rotterdam School of Management, Netherlands

- **Order flow persistence and conditional long range dependence in intraday spot exchange rates**  
  Frank McGroarty, University of Southampton, UK  
  Discussant: Michael Kuehl, Georg-August-Universität Göttingen, Germany

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Chair: Tomasz Wieladek, Bank of England, UK

- **Cyclical Government Spending, Income Inequality and Welfare in Small Open Economies**  
  *Paul McNelis, Fordham University, USA  
  Guay Lim, The University of Melbourne, Australia  
  Discussant: Michel Normandin, HEC Montréal, Canada

- **The Impact of Political Convergence on Tests of Financial Integration**  
  Marie-Claude Beaulieu, Université Laval, Canada  
  *Marie-Hélène Gagnon, Université Laval & University of Pennsylvania, Canada  
  Lynda Khalaf, Carleton University, Canada  
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- **Do Tax Cuts Generate Twin Deficits? A Multi-Country Analysis**  
  Martin Boileau, University of Colorado at Boulder, USA  
  *Michel Normandin, HEC Montréal, Canada  
  Discussant: Marie-Hélène Gagnon, Université Laval & University of Pennsylvania, Canada
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**Session 5g: Home Bias**
Chair: Hisham Foad, San Diego State University, USA

- **Bias in foreign equity portfolios: households versus professional investors**
  Maela Giofré, Università di Torino & CeRP-CCA, Italy
  Discussant: Hisham Foad, San Diego State University, USA

- **Do different interpretations of the same information help explain the home bias?**
  Hyung Cheol Kang, University of Seoul, Korea
  *Dong Wook Lee, Korea University Business School, Korea
  Kyung Suh Park, Korea University Business School, Korea
  Discussant: Maela Giofré, Università di Torino & CeRP-CCA, Italy

**Immigration and Home Equity Bias**
Hisham Foad, San Diego State University, USA
Discussant: Dong Wook Lee, Korea University Business School, Korea

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Chair: Warren Hogan, University of Technology, Sydney, Australia

- **The Informational Impact of Bond Rating Changes on Bond Yield Premia due to Regulation Fair Disclosure**
  Winnie Poon, Lingnan University, Hong Kong
  *Dorla Evans, The University of Alabama in Huntsville, USA
  Discussant: Jonathan Batten, Hong Kong University of Science & Technology, Hong Kong

- **Bond risk premia, macroeconomic fundamentals and the exchange rate**
  *Marcello Pericoli, Banca d’Italia, Italy
  Marco Taboga, Banca d’Italia, Italy
  Discussant: Dorla Evans, The University of Alabama in Huntsville, USA

- **Foreign Bond Issuance in Australia**
  *Jonathan Batten, Hong Kong University of Science & Technology, Hong Kong
  Warren Hogan, University of Technology, Sydney, Australia
  Peter Szilagyi, University of Cambridge, UK
  Discussant: Marcello Pericoli, Banca d’Italia, Italy

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**Session 5i: International Structures**
Chair: Malgorzata Sulimierska, University of Sussex, UK

- **The effect of the financial crisis on the functioning of deposit protection in the EU**
  *Adamo Uboldi, Joint Research Centre of the European Commission, Italy
  Francesca Campolongo, Joint Research Centre of the European Commission, Italy
  Elisabeth Joossens, Joint Research Centre of the European Commission, Italy
  Andrea Saltelli, Joint Research Centre of the European Commission, Italy
  Discussant: Malgorzata Sulimierska, University of Sussex, UK

- **IMF Lending: Implications for Debt Structures and Crises**
  Aitor Erce-Dominguez, Banco de España, Spain
  Discussant: Adamo Uboldi, Joint Research Centre of the European Commission, Italy

- **The Russian crisis and IMF intervention**
  Malgorzata Sulimierska, University of Sussex, UK
  Discussant: Aitor Erce-Dominguez, Banco de España, Spain
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### Session 6a: Corporate Finance
Chair: Ciarán mac an Bhaird, Trinity College Dublin & Dublin City University, Ireland

An Empirical Analysis of Cross-Listing Decisions in Share-Issue Privatization: Evidence from Developed and Developing Countries
Juliet D’Souza, Georgia Gwinnett College, USA
*William Megginson, The University of Oklahoma, USA
Robert Nash, Wake Forest University, USA
Discussant: Ciarán mac an Bhaird, Trinity College Dublin & Dublin City University, Ireland

Use and Abuse of Rights Issues. Do they really Protect Minorities?
*Michele Meoli, Università degli Studi di Bergamo, Italy
Stefano Paleari, Università degli Studi di Bergamo, Italy
Giovanni Urga, City University London, UK
Discussant: William Megginson, The University of Oklahoma, USA

Cultural Influences as a Determinant of SME Financing
*Ciarán mac an Bhaird, Trinity College Dublin & Dublin City University, Ireland
Brian M Lucey, Trinity College Dublin, Ireland
Colm Kearney, Trinity College Dublin, Ireland
Discussant: Michele Meoli, Università degli Studi di Bergamo, Italy

### Session 6b: Interdependence
Chair: Aleksander Sevic, Trinity College Dublin, Ireland

Global Stock Market Interdependencies and Portfolio Diversification
*Cal B Muckley, University College Dublin, Ireland
Brian M Lucey, Trinity College Dublin, Ireland
Discussant: Aleksander Sevic, Trinity College Dublin, Ireland

A Vector-Autoregression Analysis of Credit and Liquidity Factor Dynamics in US LIBOR and Euribor Swap Markets
*Bernard Murphy, University of Limerick, Ireland
Finbarr Murphy, University of Limerick, Ireland
Discussant: Cal B Muckley, University College Dublin, Ireland

Multinomial Logit models of bank extreme dependence in Europe 2008
*Aleksander Sevic, Trinity College Dublin, Ireland
Brian M Lucey, Trinity College Dublin, Ireland
Discussant: Bernard Murphy, University of Limerick, Ireland

### Session 6c: Trading Strategies
Chair: Paul Moon Sub Choi, Cornell University & SUNY Binghamton School of Management, USA

Arbitrage Capital and Currency Carry Trade Returns
*Petri Jylhä, Helsinki School of Economics, Finland
Matti Suominen, Helsinki School of Economics, Finland
Discussant: Paul Moon Sub Choi, Cornell University & SUNY Binghamton School of Management, USA

A Trans-Niagara Tale of Informed Traders
Paul Moon Sub Choi, Cornell University & SUNY Binghamton School of Management, USA
Discussant: Petri Jylhä, Helsinki School of Economics, Finland

### Session 6d: Inflation
Chair: Victoria Galsband, Universität Zürich, Switzerland

Inflation targeting in Latin America: Empirical analysis using GARCH models
Carmen Broto, Banco de España, Spain
*Discussant: Victoria Galsband, Universität Zürich, Switzerland

Did the anchor of inflation expectations in the euro area turn adrift?
Gabriele Galati, De Nederlandsche Bank, Netherlands
*Steven Poelhekke, De Nederlandsche Bank, Netherlands
Chen Zhou, De Nederlandsche Bank, Netherlands
Discussant: Carmen Broto, Banco de España, Spain

Inflation Uncertainty, Size and Value Premia: Evidence from Survey Data
Victoria Galsband, Universität Zürich, Switzerland
Discussant: Steven Poelhekke, De Nederlandsche Bank, Netherlands
### Parallel Sessions 6: Tuesday, 9 June 2009
#### 1630-1800

#### Session 6e: Derivatives and Exposure
**Chair:** Tom Aabo, University of Aarhus, Denmark

**Hedgers or Speculators? Firms’ Use of Currency Derivatives in Emerging Markets**
*Herman Kamil, IMF International Monetary Fund, USA*  
Ana Fernanda Maiguashca, Bank SuperIntendency of Colombia, Colombia  
David Perez, Central Bank of Colombia, Colombia  
**Discussant:** Tom Aabo, University of Aarhus, Denmark

**Exchange Rate Exposure in a Developing Economy: Evidence from Chilean Firms**
Erwin Hansen, Universidad Diego Portales, Chile  
**Discussant:** Herman Kamil, IMF International Monetary Fund, USA

**Can the CFO Trust the FX Exposure Quantification from a Stock Market Approach?**
*Tom Aabo, University of Aarhus, Denmark*  
Danielle Brodin, Danisco A/S, Denmark  
**Discussant:** Erwin Hansen, Universidad Diego Portales, Chile

#### Session 6f: Macroeconomics II
**Chair:** Udara Peiris, University of Oxford, Said Business School, UK

**Optimal Reserves for Self-Insurance against Sudden Stops**
Jun Il Kim, IMF International Monetary Fund, USA  
**Discussant:** Udara Peiris, University of Oxford, Said Business School, UK

**Fiscal Uncertainty and Currency Crises**
Inci Gumus, Sabanci Universitesi, Turkey  
**Discussant:** Jun Il Kim, IMF International Monetary Fund, USA

**International Monetary Equilibrium with Default**
*Udara Peiris, University of Oxford, Said Business School, UK*  
Dimitrios Tsomocos, University of Oxford, Said Business School, UK  
**Discussant:** Inci Gumus, Sabanci Universitesi, Turkey

#### Session 6g: Emerging Markets
**Chair:** Aneta Hryckiewicz, Johann Wolfgang Goethe Universität Frankfurt am Main, Germany

**The Case for Stabilizing China’s Exchange Rate: Setting the Stage for Fiscal Expansion**
*Gunther Schnabl, Universität Leipzig, Germany*  
Ronald McKinnon, Stanford University, USA  
**Discussant:** Martin Schmitz, Trinity College Dublin, Ireland

**Investability and financing in emerging markets**
*Thomas O’Connor, National University of Ireland, Maynooth, Ireland*  
Thomas Flavin, National University of Ireland, Maynooth, Ireland  
**Discussant:** Gunther Schnabl, Universität Leipzig, Germany

**Financial Reforms and Capital Flows to Emerging Europe**
Martin Schmitz, Trinity College Dublin, Ireland  
**Discussant:** Thomas O’Connor, National University of Ireland, Maynooth, Ireland

#### Session 6h: Commodities and Commodity Futures
**Chair:** Marcel Prokopczuk, Universität Mannheim, Germany

**The Dynamics of Gold Prices, Gold Mining Stock Prices and Stock Market Prices Comovements**
*Claire Gilmore, King’s College, USA*  
Ginette McManus, Saint Joseph’s University, USA  
Rajneesh Sharma, Saint Joseph’s University, USA  
Ahmet Tezel, Saint Joseph’s University, USA  
**Discussant:** Marcel Prokopczuk, Universität Mannheim, Germany

**Commodity futures and the weak form of market efficiency**
Viviana Fernandez, University of Chile, Chile  
**Discussant:** Claire Gilmore, King’s College, USA

**Investing in Commodity Futures Markets: Can Pricing Models Help?**
Raphael Paschke, Universität Mannheim, Germany  
*Marcel Prokopczuk, Universität Mannheim, Germany*  
**Discussant:** Viviana Fernandez, University of Chile, Chile
Parallel Sessions 6: Tuesday, 9 June 2009
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Session 6i: Market Reactions
Chair: Maxwell Stevenson, The University of Sydney, Australia

Short Changed? The Market’s Reaction to the Short Sale Ban of 2008
*Louis Gagnon, Queen’s University, Canada
Jonathan Witmer, Bank of Canada, Canada
Discussant: Maxwell Stevenson, The University of Sydney, Australia

Vintage and Credit Rating: What matters in the ABX data during the credit crunch?
*Tom Flavin, National University of Ireland, Maynooth, Ireland
Mardi Dungey, University of Tasmania, Australia
Gerald P Dwyer, Jr, Federal Reserve Bank of Atlanta, USA
Discussant: Louis Gagnon, Queen’s University, Canada

Resolving the Price-Earnings Puzzle at the Macro Level – Evidence from the S&P500 Index
*Maxwell Stevenson, The University of Sydney, Australia
Carl Chiarella, University of Technology, Sydney, Australia
Gao Shenhua, University of Technology, Sydney, Australia
Discussant: Tom Flavin, National University of Ireland, Maynooth, Ireland