



**Bangko Sentral ng Pilipinas 6<sup>th</sup> International Research Conference**  
***"Revisiting macro-financial linkages: Looking back and looking ahead"***  
**20-21 September 2016 • Manila, Philippines**

**Conference Program**

**Day 1, Tuesday, 20 September 2016**

*(Venue: The Conservatory, The Peninsula Manila Hotel)*

08:30 - 09:00	<b>Registration</b>
09:00 – 09:10	<b>Opening Ceremony</b>
	Moderator: Jade Eric Redoblado Bangko Sentral ng Pilipinas
09:10 – 09:30	<b>Welcome Address</b>
	Amando M. Tetangco, Jr. Governor, Bangko Sentral ng Pilipinas
09:30 – 10:00	<b>Group Photograph</b>
	<b>Coffee/Tea break</b>
10:00 – 11:30	<b>Session 1: Macro-financial linkages: From foreign financial markets to the domestic economy</b>

*Macro-financial linkages have an international perspective, that is, global developments having an impact on the domestic economy or the domestic financial market through interest rates, risk premia, and capital flows, among others. For instance, corporates (financial or non-financial) with foreign borrowing would be affected by the appreciation or depreciation of the local currency or by the changes in foreign interest rates. In recent years, emerging market economies have been largely affected by global developments as the risk sentiments of global investors influence the movements of investment capital.*

Chair: Roberto Mariano  
Professor of Economics Emeritus, University of Pennsylvania

*(Note: Each presenter is given 20 minutes to be followed by a discussion for 10 minutes. There will be an open forum for 25 minutes at the end of each session.)*

***Financial Globalisation, Monetary Policy Spillovers and Macro-modelling:  
Tales from One Hundred and One Shocks***

Authors: Georgios Georgiadis and Martina Jancokova  
European Central Bank

Discussant: Paul D. McNelis  
Fordham University

***How do Global Investors Differentiate between Sovereign Risks? The New  
Normal Versus the Old***

Authors: Marlene Amstad, Eli Remolona and Jimmy Shek  
Bank for International Settlements

Discussant: Iman Badrudin  
Bank Negara Malaysia

11:30 – 13:00

**Lunch Break**

13:00 – 14:30

***Spillover Effects of Uncertainty Shocks on Asia-Pacific Region***

Authors: Maria Teresa Punzi and Pornpinun Chantapacdepong  
Vienna University of Economics and Business and  
Asian Development Bank Institute

***The Role of Financial Market Development on Financial Contagion:  
Evidence from Selected Asian Economies***

Authors: Iman Badrudin  
Bank Negara Malaysia

Discussant for the two papers: Lam San Ling  
Monetary Authority of Singapore

14:30 – 15:00

**Coffee/Tea Break**

15:00 – 17:00

**Session 2: Macro-financial linkages: Within the domestic economy**

*Financial sector variables primarily affect the real economy through the costs (interest rate channel) and availability of financing. Thus, when supply of bank loans is disrupted, borrowers cut off expenditures and reduce aggregate demand. Liquidity is another factor that has impact on the banks' capacity to extend credit. There are two types of liquidity: market liquidity and funding liquidity. Market liquidity refers to the cost (and ease) of buying or selling an asset for cash. Funding liquidity is the ability of an investor to obtain funding as they borrow against an asset. Thus, in a financial crisis, intermediaries may become less willing to provide market liquidity, which, in turn, would reduce funding liquidity.*

Chair: Johnny Noe Ravalo  
Assistant Governor, Bangko Sentral ng Pilipinas

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*Note: Author with underline is the presenter.*

*(Note: Each presenter is given 20 minutes to be followed by a discussion for 10 minutes. There will be an open forum for 25 minutes at the end of each session.)*

***Liquidity, Government Bonds and Sovereign Debt Crises***

Author: Francesco Molteni  
European University Institute

Discussant: Marcel Bluhm  
Xiamen University and Goethe University Frankfurt

***Credit Conditions and Consumption, House Prices and Debt: What Makes Canada Different***

Authors: John Muellbauer, Pierre St-Amant and David Williams  
Bank of Canada

Discussant: Francesco Molteni  
European University Institute

***Persistent Liquidity Shocks and Interbank Funding***

Author: Marcel Bluhm  
Xiamen University and Goethe University Frankfurt

Discussant: David Williams  
Bank of Canada

19:00 – 21:00

**Dinner Reception**

Hosted by Governor Amando M. Tetangco, Jr.  
*(Venue: Rigodon 1 Ballroom, The Peninsula Manila Hotel)*

**Day 2, Wednesday, 21 September 2016**

08:30 – 09:00

**Registration**

09:00 – 10:30

**Session 3: Macro-financial linkages: Transmission mechanism of policy measures**

*Policy measures, such as macroprudential policies, affect the real economy by changing the constraints and incentives of financial institutions. For instance, tightening the countercyclical buffer during credit booms would reduce excessive balance sheet expansion. In the same manner, easing the buffer during a downturn would discourage financial intermediaries from excessive deleveraging.*

Chair: Francisco G. Dakila, Jr.  
Managing Director, Bangko Sentral ng Pilipinas

*(Note: Each presenter is given 20 minutes to be followed by a discussion for 10 minutes. There will be an open forum for 25 minutes at the end of each session.)*

***The Cross-Border Credit Channel and Lending Standards Surveys:  
Implications for the Effectiveness of Unconventional Monetary Policies***

Authors: Andrew Filardo and Pierre L. Siklos  
Bank for International Settlements  
Wilfrid Laurier University and Basillie School of International  
Affairs

Discussant: Fang Yao  
Reserve Bank of New Zealand

***The Long History of Financial Boom-Bust Cycles in Iceland***

Authors: Bjarni G. Einarsson, Kristófer Gunnlaugsson,  
Thorvardur Tjörvi Ólafsson and Thórarinn G. Pétursson  
Barcelona Graduate School of Economics and  
Central Bank of Iceland

Discussant: Delano Villanueva  
Special consultant to the Bangko Sentral ng Pilipinas

10:30 – 11:00

**Coffee/Tea Break**

11:00 – 12:30

***Consequences of Loan-to-Value Ratio Policies for Business and Credit Cycles***

Authors: Tim Robinson and Fang Yao  
Reserve Bank of New Zealand

Discussant: Maria Teresa Punzi  
Vienna University of Economics and Business

***Optimal Policy Rules at Home, Crisis and Quantitative Easing Abroad***

Authors: Paul D. McNelis  
Fordham University

Discussant: Thorvardur Tjörvi Ólafsson  
Central Bank of Iceland

12:30 – 14:00

**Lunch Break**

14:00 – 16:00

**Session 4: Policy Discussion on Diagnosing the Effectiveness of the  
Monetary Policy's Transmission**

*An essential component of macro-financial linkages is the monetary policy transmission mechanism. However, the protracted low inflation and widespread sluggish economic growth have revealed limitations of existing monetary policy frameworks. Heightened uncertainty in the global markets affect market expectations. The low GDP growth in a number of economies following the crisis has renewed interest in the issue of whether the transmission channels of monetary policy, through either interest rate or exchange rate channels, have been weakened by the global financial crisis. Yet increased global integration has brought to the fore other transmission mechanisms—such as credit availability, asset price and liquidity channels.*

Chair: Eli M. Remolona  
Chief Representative for Asia and the Pacific  
Bank for International Settlements

Panelists:

Vladimir Tomsik  
Vice-Governor, Czech National Bank

Shanaka J. Peiris  
Resident Representative for the Philippines  
International Monetary Fund

James Villafuerte  
Economist  
Asian Development Bank

*(Note: Each panelist is given 20-30 minutes for his presentation, to be followed by 30-45 minute open forum.)*

Presentation of corporate gifts

16:00 – 16:30

**Closing Remarks**

Diwa C. Guinigundo  
Deputy Governor, Monetary Stability Sector  
Bangko Sentral ng Pilipinas

16:30 – 17:00

**Coffee/Tea Break**