



Conference on “Financial frictions: Macroeconomic implications and policy options for emerging economies”

Hotel Pullman Vitacura, Santiago, Chile – March 19 and 20, 2020

March 19

8:00 – 8:30 Registration

8:30 – 8:40 Opening Remarks – Mario Marcel (President, Central Bank of Chile)

8:40 – 8:45 Welcome Remarks – Yolanda Martinez (Country Representative - Chile, Interamerican Development Bank)

Session 1. Chair: Andrés Fernández (Central Bank of Chile)

8:45 – 9:15 “Bank foreign currency hedging and the impact on covered interest parity, an Emerging Market perspective”

Georgia Bush (Banco de Mexico)

9:15 – 9:25 Sergio Schmukler (World Bank)

9:25 – 9:35 Ricardo Correa (Federal Reserve Board)

9:35 – 9:45 Discussion

9:45 – 10:15 “Uncertainty Shocks, Financial Frictions and Business Cycle Asymmetries Across Countries”

Pratiti Chatterjee (University of New South Wales)

10:15 – 10:25 Pablo Guerron-Quintana (Boston College)

10:25 – 10:35 Hernán Seoane (Carlos III)

10:35 – 10:45 Discussion

10:45 – 11:15 Coffee Break

Session 2. Chair: Enrique Mendoza (University of Pennsylvania)

11:15 – 11:45 “Capital Controls, Inflows and the Credit Channel”

Andrea Fabiani (Universität Pompeu Fabra), Martha López Piñeros (Banco de la República), and José-Luis Peydró (Imperial College London, ICREA-Universität Pompeu Fabra-CREI)

11:45 – 11:55 Bent Sorensen (University of Houston)

11:55 – 12:05 Nadav Ben Zeev (Ben-Gurion University of the Negev)

12:05 – 12:15 Discussion

12:15 – 1:30 Lunch

Session 3. Chair: Elías Albagli (Central Bank of Chile)

1:30 – 2:00 “Macroprudential Leakages”

Julien Bengui (Bank of Canada and Université de Montreal) and Javier Bianchi (Federal Reserve Bank of Minneapolis)

2:00 – 2:10 Paulina Restrepo-Echavarria (Federal Reserve Bank of St. Louis)

2:10 – 2:20 Roberto Chang (Rutgers University)

2:20 – 2:30 Discussion

2:30 – 3:00 “Are Collateral-Constraint Models Ready for Macroprudential Policy Design?”

Pablo Ottonello (University of Michigan), Diego Perez (New York University), and Paolo Varraso (New York University)

3:00 – 3:10 Sebastian Fanelli (CEMFI)

3:15 – 3:20 Facundo Piguillem (Einaudi Institute for Economics and Finance)

3:20 – 3:30 Discussion

3:30 – 4:00 Coffee Break

Session 4. Chair: Pablo García (Central Bank of Chile):

4:00 – 4:30 “The macroeconomic effects of macroprudential policy: Evidence from a narrative approach”

Diego Rojas (World Bank and UMBC), Carlos Vegh (Johns Hopkins University), and Guillermo Vuletin (World Bank)

4:30 – 4:40 David Papell (University of Houston)

4:40 – 4:50 Markus Kirchner (Central Bank of Chile)

4:50 – 5:00 Discussion

Session 5. Chair: Victoria Nuguer (IDB)

Special Session “Mentoring Program FSD – IDB Call for Proposals”

5:00 – 5:30 “The role of external shocks, domestic financial frictions and FX interventions in a small open economy”

David Florián (Banco Central de Reserva del Perú), Rafael Nivín (Banco Central de Reserva del Perú), and Alex Carrasco (Banco Central de Reserva del Perú).

5:30 – 6:00 “Welfare Effects of Capital Controls”

Eugenia Andreasen (Universidad de Santiago de Chile), **Sofía Bauducco (Banco Central de Chile)**, and Evangelina Dardati (ILADES - Universidad Alberto Hurtado).

8:00 – Conference Dinner

March 20

8:00 – 8:30 Registration

Session 6. Chair: Joaquín Vial (Central Bank of Chile)

8:30 – 9:00 “Sovereign Spreads and the Effects of Fiscal Austerity”

Diego Anzoategui (Rutgers University)

9:00 – 9:10 Juan Carlos Hatchondo (Western University)

9:10 – 9:20 Ignacio Presno (Federal Reserve Board)

9:20 – 9:30 Discussion

9:30 – 10:00 “International Reserves and Sovereign Debt: A Two-Government-Entities Approach”

Agustin Samano (University of Minnesota and Federal Reserve Bank of Minneapolis)

10:00 – 10:10 Leonardo Martinez (IMF)

10:10 – 10:20 Illenin Kondo (Notre Dame)

10:20 – 10:30 Discussion

10:30 – 11:00 Coffee Break

Session 7. Chair: Rosanna Costa (Central Bank of Chile)

11:00 – 11:30 “Productivity and Trade Dynamics in Sudden Stops”

Felipe Benguria (University of Kentucky), Hidehiko Matsumoto (Bank of Japan), and **Felipe Saffie (University of Maryland)**

11:30 – 11:40 Carlos Urrutia (Instituto Tecnológico Autónomo de México)

11:40 – 11:50 Ricardo Reyes-Heroles (Federal Reserve Board)

11:50 – 12:00 Discussion

12:00 – 1:15 Lunch

Session 8. Chair: Alberto Naudón (Central Bank of Chile)

1:15 – 1:45 “Reserve Accumulation, Growth and Financial Crises”

Gianluca Benigno (Federal Reserve Bank of New York, LSE and CEPR), Luca Fornaro (CREI and CEPR), and Martin Wolf (Vienna University)

1:45 – 1:55 Laura Alfaro (Harvard University)

1:55 – 2:05 Samer Shousha (Federal Reserve Board)

2:05 – 2:15 Discussion

2:15 – 2:45 “Global Financial Cycle and Liquidity Management”

Olivier Jeanne (Johns Hopkins University) and Damiano Sandri (IMF)

2:45 – 2:55 Luis Felipe Céspedes (Universidad Adolfo Ibáñez)

2:55 – 3:05 Andrés Velasco (London School of Economics)

3:05 – 3:15 Discussion

3:15 – 3:45 Coffee Break

Session 9. Chair: Roberto Chang (Rutgers University)

3:45 – 4:15 “The Natural Level of Capital Flows”

John Burger (Loyola University), **Francis Warnock (University of Virginia)**, and Veronica Cacadac Warnock (University of Virginia)

4:15 – 4:25 José de Gregorio (Universidad de Chile)

4:25 – 4:35 Alejandro Viccondoa (Pontificia Universidad Católica de Chile)

4:35 – 4:45 Discussion