



CHAPMAN  
UNIVERSITY

ARGYROS SCHOOL OF  
BUSINESS AND ECONOMICS

# MONETARY POLICY IN FINANCIAL MARKETS IS THERE A NEW PARADIGM?

Friday, May 1, 2015, 8:30 a.m. to 5:30 p.m.

Sandhu Conference Center at Chapman University

Organized by Dean Reggie Gilyard and Dr. Clas Wihlborg, Fletcher Jones Chair in International Business at the Argyros School of Business

In the aftermath of the global financial crisis we have observed a shift in the conduct of monetary policy; there are new instruments of monetary policy relying on new channels of transmission through financial markets, interest rates have turned negative in several countries, central banks have expanded responsibilities including micro and macro prudential supervision of financial institutions, and the division between monetary and fiscal responsibility has been blurred. In the international arena we have seen new channels of transmission from the U.S. to emerging markets, as well as fragmentation as a result of nationally oriented regulation and institutions. The role of the dollar in the world has, if anything, increased while at the same time China has ambitions to reduce the role of the dollar.

Are all these sometimes contradictory tendencies simply aftershocks after the global financial crisis and the great recession or can we expect fundamental and long lasting shifts in the role of central banks, the conduct of monetary policy, financial markets and financial institutions?

**8:30 to 9 a.m.**

9 to 9:10 a.m.

**Breakfast**

Dean Reggie Gilyard, Chapman University, Argyros School of Business and Economics

Introductory Remarks

**9:10 to 9:50 a.m.**

**Joshua Aizenman, USC**

Domestic and International Legacy Imbalances after the Crisis. Is there a new normal?

**9:50 to 10:30 a.m.**

**Casper de Vries, Erasmus University**

Multiplicative Uncertainty in Monetary Macro Models, Fat Tails and Disappointment

Aversion in Financial Markets

**10:30 to 10:50 a.m.**

**Coffee break**



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10:50 to 11:30 a.m.

**Vincenzo Quadrini, USC**

Financial Market Development and the International Transmission of Monetary Policy

11:30 a.m. to 12:10 p.m.

**Gabriele Camera, Chapman University**

Money as a Trust Mechanism; Experimental Results and Implications for  
Economic Activity

12:10 to 1:45 p.m.

**Lunch**

Keynote speaker: John C. Williams, President, Federal Reserve Bank of San Francisco

1:45 to 2:25 p.m.

**Takeo Hoshi, Stanford University**

Abenomics Financial System Reform: Unlocking Repressed Dynamics?

2:25 to 3:45 p.m.

**Panel 1, Financial Regulation and Monetary Policy; Is There a New Paradigm?**

- Moderator: Tom Willett, Claremont Graduate University
- Bob Eisenbeis, Cumberland Advisors
- Steve Gjerstad, Chapman University
- Reuven Glick, Federal Reserve Bank of San Francisco
- Rakesh Mohan, IMF, Executive Director, India
- Victor Murinde, University of Birmingham

3:45 to 4:10 p.m.

**Coffee Break**

4:10 to 5:30 p.m.

**Panel 2, The Global Investment Environment of the Post-QE World: Is There a New Normal**

- Moderator: Stewart Darrell, Delphi
- Sudesh Mariappa, PIMCO
- Michael Melvin, Blackrock
- John Rutledge, Safanad and Claremont Graduate University
- Shane Shepherd, Research Affiliates

Invitation to

# MONETARY POLICY IN FINANCIAL MARKETS

## IS THERE A NEW PARADIGM?

Organized by

DEAN REGGIE GILYARD AND CLAS WIHLBORG, FLETCHER JONES CHAIR IN INTERNATIONAL BUSINESS AT THE GEORGE L. ARGYROS SCHOOL OF BUSINESS AND ECONOMICS

**FRIDAY, MAY 1, 8:30 A.M. TO 5:30 P.M.**

Breakfast and lunch will be served

In the aftermath of the global financial crisis we have observed shifts in the conduct of monetary policy and financial regulation. Are these simply aftershocks from the Great Recession or can we expect fundamental and long-lasting shifts in the role of central banks, the conduct of monetary policy, financial markets and financial institutions?

**Please RSVP at [bit.ly/MonetaryPolicyConference](http://bit.ly/MonetaryPolicyConference)**

Participation is limited. Please register early

### FEATURING

#### John C. Williams

**President, Federal Reserve Bank of San Francisco**



John C. Williams took office as President and Chief Executive Officer of the Federal

Reserve Bank of San Francisco on March 1, 2011. In this role, he serves on the Federal Open Market Committee, bringing the Fed's Twelfth District's perspective to monetary policy discussions in Washington.

**He will be speaking during lunch, 12:10 to 1:45 p.m.**

### INCLUDING THE FOLLOWING SPEAKERS

- 8:30 to 9 a.m. Breakfast
- 9 to 9:10 a.m. Dean Reginald Gilyard, Chapman University, Argyros School
- 9:10 to 9:50 a.m. Joshua Aizenman, USC  
*Domestic and International Legacy Imbalances after the Crisis*
- 9:50 to 10:30 a.m. Casper de Vries, Erasmus University  
*Multiplicative Uncertainty in Monetary Macro Models, Fat Tails and Disappointment Aversion in Financial Markets*
- 10:50 to 11:30 a.m. Vincenzo Quadrini, USC  
*Financial Market Development and the International Transmission of Monetary Policy*
- 11:30 a.m. to 12:10 p.m. Gabriele Camera, Chapman University  
*Money as a Trust Mechanism; Experimental Results and Implications for Economic Activity*
- 12:10 to 1:45 p.m. Lunch and Keynote Address
- 1:45 to 2:25 p.m. Takeo Hoshi, Stanford University  
*Abenomics Financial System Reform: Unlocking Repressed Dynamics*
- **PANEL 1 - Financial Regulation And Monetary Policy; Is This The New Paradigm**
- 2:25 to 3:45 p.m. Tom Willett, Claremont Graduate University (Chair)  
Bob Eisenbeis, Cumberland Advisors  
Reuven Glick, S.F. Fed  
Rakesh Mohan, IMF, Executive Director, India  
Victor Murinde, University of Birmingham
- **PANEL 2 - The Global Investment Environment In The Post-QE World**
- 4:10 to 5:30 p.m. Stewart Darrell, Delphi (Chair)  
Sudesh Mariappa, PIMCO  
Michael Melvin, Blackrock  
John Rutledge, Claremont Graduate University and Safanad  
Shane Shepherd, Research Affiliates



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