Program

HIAS
Hitotsubashi
Institute for
Advanced Study

HIAS, IER and AJRC Joint Workshop
"Frontiers in Macroeconomics and Macroeconometrics"
3 & 4 November 2017

HIAS, IER and AJRC Joint Workshop

"Frontiers in Macroeconomics and Macroeconometrics"

from Friday, 3 November 2017 at **09:00** to Saturday, 4 November 2017 at **16:40** (Japan)
at **Hitotsubashi University (Mercury Tower 7F Conference Room)**
2-1, Naka, Kunitachi, Tokyo 186-8601 JAPAN

Hosting Institutes
Hitotsubashi Institute for Advanced Study, Hitotsubashi University
Grants-in-Aid for Scientific Research A (No. 17H00985)

Organizers
Toshiaki Watanabe (Hitotsubashi University)
Tatsuyoshi Okimoto (Australian National University)

URL
https://hias.hit-u.ac.jp/indico/event/2/

Friday, 3 November 2017

09:00 - 09:25 Registration (Mercury Tower 7F Hall)

09:25 - 09:30 Opening

09:25 **Opening Remarks** *5'*
Speaker: **Toshiaki Watanabe** (Hitotsubashi University)

09:30 - 11:30 Exchange Rates and Global Economy
Chair: Yohei Yamamoto (Hitotsubashi University)

09:30 **Some Global Effects of President Trump's Economic Program** *40'*
Speaker: **Warwick McKibbin** (Australian National University)
Co-author: Andrew Stoeckel (Australian National University

10:10 **Accumulation of Foreign Currency Reserves and Risk Taking***40'*
Speaker: **Rasmus Fatum** (University of Alberta / Federal Reserve Bank of Dallas)
Co-authors: James Yetman (Bank for International Settlements)

10:50 **Exchange Rates and Fundamentals: A General Equilibrium Exploration** *40'*
Speaker: **Takashi Kano** (Hitotsubashi University)

11:30 - 13:00 Luncheon Meeting of Committee Members (Mercury Tower 7F Hall)
Closed Session

13:00 - 14:20 Macroeconomic Models
Chair: Pablo A. Guerron-Quintana (Boston College)

13:00 **Cyclical Part-time Employment in an Estimated New Keynesian Model with Search Frictions** *40'*
Speaker: **Mototsugu Shintani** (University of Tokyo)
Co-authors: Toshihiko Mukoyama (University of Virginia / Georgetown University) and Kazuhiro Teramoto (New York University)

13:40 **Recurrent Bubbles, Economic Fluctuations, and Growth** *40'*
Speaker: **Ryo Jinnai** (Hitotsubashi University)
Co-authors: Pablo A. Guerron-Quintana (Boston College) and Tomohiro Hirano (University of Tokyo)

14:20 - 14:30 Afternoon Break I (Mercury Tower 7F Hall)

14:30 - 15:50 Uncertainty
Chair: Ippei Fujiwara (Keio University / Australian National University)

14:30 **Uncertainty-driven Comovements in Booms and Busts: A Structural Interpretation** *40'*
Speaker: **Efrem Castelnuovo** (University of Melbourne / University of Padova)
Co-authors: Giovanni Caggiano (Monash University / University of Padova) and Giovanni Pellegrino (University of Melbourne)

15:10 ***Time-Dependent Finance-Uncertainty Multipliers*** *40'*
Speaker: **Giovanni Caggiano** (Monash University / University of Padova)
Co-authors: Efrem Castelnuovo (University of Melbourne / University of Padova), Silvia Delrio (Ifo Institute Munich) and Tim Robinson (University of Melbourne)

15:50 - 16:00 **Afternoon Break II** (Mercury Tower 7F Hall)

16:00 - 17:20 **Bond Markets**

Chair: Etsuro Shioji (Hitotsubashi University)

16:00 **Market Segmentation and Limit to Arbitrage under Negative Interest Rate: Evidence from Bank of Japan's QQE** *40'*

Speaker: **Takahiro Hattori** (Hitotsubashi University / Ministry of Finance Japan)

16:40 **Effects of Corporate and Government Bond Purchases on Credit Spreads and Their Transmission Mechanism: The Case of Japan** *40'*

Speaker: **Yoichi Ueno** (Bank of Japan)
Co-author: Kenji Suganuma (Bank of Japan)

17:40 - 19:10 **Reception** (Mercury Tower 7F Hall)

Saturday, 4 November 2017

09:00 - 09:30 **Registration** (Mercury Tower 7F Hall)

09:30 - 11:30 **Economic Policy**

Chair: Tatsuyoshi Okimoto (Australian National University)

09:30 **The Dark Side of Low Interest Rates** *40'*
Speaker: **Pablo A. Guerron-Quintana** (Boston College)
Co-author: Keith Kuester (University of Bonn)

10:10 **The Effects of Fiscal Policy Shock under the Zero Lower Bound** *40'*

Speaker: **Hiroshi Morita** (Hosei University)

10:50 **Fiscal Confidence Shocks and the Market for the Japanese Government Bonds** *40'*

Speaker: **Etsuro Shioji** (Hitotsubashi University)

11:30 - 13:00 **Luncheon Meeting of Committee Members** (Mercury Tower 7F Hall)

Closed Session

13:00 - 15:00 **Financial Markets**

Chair: Toshiaki Watanabe (Hitotsubashi University)

13:00 **Measuring Financial Interdependence in Asset Returns with an Application to Eurozone Equity Markets** *40'*

Speaker: **Renée Fry-McKibbin** (Australian National University / CAMA)
Co-authors: Cody Yu-Ling Hsiao (Macau University of Science and Technology / CAMA) and Vance L. Martin (University of Melbourne)

13:40 **Towards a General Eqilibrium Foundation for the Observed Haircut Term Structure and Design in Sovereign Bonds** *40'*

Speaker: **Kenji Wada** (Hitotsubashi University)

14:20 **Prior Beliefs, Noise Trading and Estimation of Importance of Each Investment Type** *40'*

Speaker: **Jae-Young Kim** (Seoul National University / Hitotsubashi University)

15:00 - 15:15 **Afternoon Break** (Mercury Tower 7F Hall)

15:15 - 16:35 **Large Multivariate Models**

Chair: Yasuhiro Omori (University of Tokyo)

15:15 **Reducing Dimensions in a Large TVP-VAR** *40'*

Speaker: **Rodney W. Strachan** (University of Queensland)
Co-authors: Joshua C.C. Chan (University of Technology, Sydney) and Eric Eisenstat (University of Queensland)

15:55 **Estimating and Accounting for the Output Gap with Large Bayesian Vector Autoregressions** *40'*

Speaker: **James Morley** (University of Sydney)
Co-author: Benjamin Wong (Reserve Bank of New Zealand)

16:35 - 16:40 **Closing**

16:35 **Closing Remarks** *5'*

Speaker: **Tatsuyoshi Okimoto** (Australian National University)