

Conference on Exchange Rates and Macroeconomic Policies: Recent Developments

December 2-3, 2019

City University of Hong Kong, Hong Kong

Venue: LAU 7-208 Executive Classroom, Lau Ming Wai Academic Building

Organized by Global Research Unit (Department of Economics and Finance, City University of Hong Kong),
Center for Analytical Finance (University of California, Santa Cruz), and Institute of Empirical
Economic Research (Osnabrück University, Germany)

December 2, 2019 (Monday)	
8.30-8.50	Registration and morning coffee
8.50-9.00	Welcoming Remarks Yin-Wong Cheung, City University of Hong Kong
Keynote session I Chair: Frank Westermann, Osnabrück University	
9.00-10.00	Price level targeting with evolving credibility (with Kaushik Mitra, University of Birmingham) Seppo Honkapohja, Aalto University
10.00-10.20	Refreshment Break
Session 1 Exchange Rates and Monetary Policy I ; Chair: Isabel Yan, City University of Hong Kong	
10.20-11.10	Shocks and Exchange Rates in Small Open Economies (with Vito Cormun, Boston College) Pierre De Leo, University of Maryland Discussant: James Yetman, BIS
11.10-12.00	Foreign-currency exposures and the financial channel of exchange rates: Eroding monetary policy autonomy? (with Feng Zhu, BIS) Georgios Georgiadis, European Central Bank Discussant: Hui Cho-Hoi, HKMA
12.10-13.20	Lunch (Chinese Restaurant, 8/F, Bank of China (Hong Kong) Complex, CityU)
Session 2 Business Cycles and Volatility: The Role of Exchange Rates ; Chair: Matthew Yiu, AMRO	
13.30-14.20	Currency Portfolio of External Debt, Exchange Rate Cyclicalities, and Consumption Volatility Eiji Fujii, Kwansei Gakuin University Discussant: Yao Amber LI, HKUST
14.20-15.10	Real Business Cycles in Emerging Economies: the Role of Interest Rates and Exchange Rates (with Sihao Chen, HKUST and Kang Shi, CUHK) Juanyi Xu, HKUST Discussant: Sheng Liugang, CUHK
15.10-15.30	Refreshment Break
Session 3 Exchange Rate Management and Co-movement ; Chair: James Yetman, BIS	
15.30-16.20	Tolerance of Flexibility: Foreign Exchange Intervention and Managed Floating Redux (with Tian Xia, Nankai University, Hang Zhou, University of International Business and Economics) Dong Lu, Renmin University of China Discussant: Shifu Jiang, HKMA
16.20-17.10	Asymmetric Co-movement of Asian Currencies with the Chinese Yuan Since Its Inclusion in the SDR (with Xiuhua Lu, Ocean University of China, Jakob De Haan, De Nederlandsche Bank) Yangping Zhao, École Polytechnique de Montréal Discussant: Matthew Yiu, AMRO
18.00-20.00	Conference dinner (by invitation only)

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December 3, 2019 (Tuesday)	
8.30-9.00	Registration and morning coffee
Keynote session II Chair: Michael M. Hutchison, University of California, Santa Cruz	
9.00-10.00	Inflation Targeting and Exchange Rate Stability in Asia: Should China Adopt Inflation Targeting? Takatoshi Ito, Columbia University
10.00-10.20	Refreshment Break
Session 4	Exchange Rates and Monetary Policy II ; Chair: Sharon X. Wu, HKMA
10.20-11.10	Financial Globalization and Bank Lending: The Limits of Domestic Monetary Policy? (with Valeriya Dinger, Osnabrück University) Jin Cao, Norges Bank Discussant: Yabin Wang, Hong Kong Monetary Authority
11.10-12.00	Liquidity and Exchange Rates: An Empirical Investigation (with Charles Engel, University of Wisconsin) Steve Pak Yeung Wu, University of Wisconsin Discussant: Vikas Kakkar, City University of Hong Kong
12.10-13.20	Lunch (Chinese Restaurant, 8/F, Bank of China (Hong Kong) Complex, CityU)
Session 5	A view from Emerging Markets ; chair: Vikas Kakkar, City University of Hong Kong
13.30-14.20	What drives the cross-country differences in Asset Price Responses to Capital Flows? The Case of Emerging Markets (with Joe C. Y. Ng, City University of Hong Kong) Charles Ka Yui Leung, City University of Hong Kong Discussant: Sharon X. Wu, HKMA
14.20-15.10	The Dollar and Emerging Market Economies: Financial Vulnerabilities Meet the International Trade System Samer F. Shousha, Federal Reserve Board Discussant: Vladyslav Sushko, BIS

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