

Euro Area Business Cycle Network

**Business Cycle Developments, Financial Fragility, Housing and  
Commodity Prices**

CREI (Universitat Pompeu Fabra), Barcelona  
Room 23.S05  
Wellington Building

21-23 November, 2008

Programme

Friday, 21 November

12:30 – 13:30                      **Registration and Lunch**

**Session I – The Great Moderation**

13:30 – 15:00

**Explaining the Great Moderation: It's not the Shocks**  
Domenico Giannone (European Central Bank and CEPR)  
\*Michele Lenza (European Central Bank)  
Lucrezia Reichlin (London Business School and CEPR)

*Discussant: Vasco Carvalho (CREI and UPF)*

**Oil and the Great Moderation**

\*Anton Nakov (Banco de España)  
Andrea Pescatori (Federal Reserve Bank of Cleveland)

*Discussant: Marc Gronwald (Ifo Institute for Economic Research)*

15:00 – 15:30

**Break**

**Session II – Commodities and Financial Institutions**

15:30 – 17:00

**Not All Oil Price Shocks Are Alike: Disentangling Demand and  
Supply Shocks in the Crude Oil Market**  
\*Lutz Kilian (University of Michigan and CEPR)

*Discussant: Martino Pelli (DEEP-HEC Université de Lausanne)*

**Real Time' Early Warning Indicators for Costly Asset Price  
Boom/Bust Cycles: A Role for Global Liquidity?**

Lucia Alessi (European Central Bank)  
\*Carsten Detken (European Central Bank)

*Discussant: Benoît Mojon (Banque de France)*

17:00 – 17:30

**Break**

### **Session III - Housing and Business Cycle Fluctuations I**

**17:30 – 19:00**

#### **House Prices and the Stance of Monetary Policy**

\*Marek Jarociński (European Central Bank)  
Frank Smets (European Central Bank)

*Discussant: Rochelle Edge (Federal Reserve Board)*

#### **House Prices and Credit Constraints: Making Sense of the US Experience**

John Duca (Federal Reserve Bank of Dallas)  
\*John Muellbauer (University of Oxford and CEPR)  
Anthony Murphy (University of Oxford)

*Discussant: Pierre Siklos (Freie Universität Berlin and Wilfrid Laurier University)*

**Saturday, 22 November**

### **Session IV - Business Cycles and Financial Institutions I**

**9:30 – 11:00**

#### **Financial (In)stability, Supervision and Liquidity Injections: a Dynamic General Equilibrium Approach**

Gregory de Walque (National Bank of Belgium)  
\*Olivier Pierrard (Central Bank of Luxembourg)  
Abdelaziz Rouabah (Central Bank of Luxembourg)

*Discussant: Sumru G. Altug (Koç University and CEPR)*

#### **Systemic Risk-Taking: Accelerator Effects, Externalities, and Regulatory Responses**

\*Anton Korinek (University of Maryland)

*Discussant: John Driffill (Birkbeck College and CEPR)*

**11:00 – 11:30**

**Break**

### **Session V - Housing and Business Cycle Fluctuations**

**11:30 – 13:00**

#### **Housing Market Spillovers: Evidence from an Estimated DSGE Model**

\*Matteo Iacoviello (Boston College)  
Stefano Neri (Banca d'Italia)

*Discussant: Thijs van Rens (CREI, UPF and CEPR)*

#### **Housing Finance, Housing Shocks, and the Business Cycle: VAR Evidence from OECD Countries.**

Roberto Cardarelli (International Monetary Fund)  
Tommaso Monacelli (IGIER-Università Bocconi and CEPR)  
\*Alessandro Rebucci (Inter-American Development Bank)  
Luca Sala (IGIER-Università Bocconi)

*Discussant: Robert Kollmann (ECARES and CEPR)*

**13:00 – 15:00**

**Lunch**

## **Session VI – “News” and the Business Cycle**

**15:00 – 16:30**

### **What’s News in Business Cycles**

\*Stephanie Schmitt-Grohé (Columbia University and CEPR)  
Martin Uribe (Columbia University)

*Discussant: Chryssi Giannitsarou (University of Cambridge and CEPR)*

### **Changes in Growth Potential and Endogenous Technology Diffusion as Sources of Output and Asset Price Fluctuations**

\*Diego Comin (Harvard Business School)  
Mark Gertler (New York University)  
Ana Maria Santacreu (New York University)

*Discussant: Jordi Galí (CREI, UPF and CEPR)*

**16:30 – 17:00**

**Break**

## **Session VII - Business Cycles, Financial Institutions and Credit**

**17:00 – 18:30**

### **Systemic Risk-Taking and the US Financial Crisis**

\*Romain Rancière (International Monetary Fund and CEPR)  
Aaron Tornell (UCLA)

*Discussant: Victoria Saporta (Bank of England)*

### **Banking Competition, Housing Prices and Macroeconomic Stability**

\*Javier Andrés (Universidad de Valencia)  
Óscar Arce (Banco de España)

*Discussant: Martin Ellison (University of Oxford and CEPR)*

**20:45**

**Dinner (by invitation only)**

**Sunday 23 November**

## **Session VIII - Business Cycles and Financial Institutions III**

**09:30 – 11:00**

### **The (Lack of a) Role for Financial Innovation in Explaining Changes in Business Cycle Properties**

\*Wouter Den Haan (University of Amsterdam and CEPR)  
Vincent Sterk (University of Amsterdam)

*Discussant: Paolo Surico (Bank of England)*

### **Mortgage Markets, Collateral Constraints, and Monetary Policy: Do Institutional Factors Matter?**

Alessandro Calza (European Central Bank)  
\*Tommaso Monacelli (IGIER-Università Bocconi and CEPR)  
Livio Stracca (European Central Bank)

*Discussant: John Muellbauer (University of Oxford and CEPR)*

**11:00 – 11:30**

**Break**

**Session IX - Credit and the Business Cycle – A US Perspective**

**11:30 – 12:15**

**Credit Matters: Empirical Evidence on U.S. Macro-Financial Linkages**

Tamim Bayoumi (International Monetary Fund and CEPR)

\*Ola Melander (Stockholm School of Economics)

*Discussant: Kristoffer Nimark (CREI and UPF)*

**Organizers:**

Fabio Canova (ICREA, AMeN and CEPR)

Andrew Scott (LBS and CEPR)