Central Bank Liquidity Tools
A Conference Sponsored by the Federal Reserve Bank of New York
February 19-20, 2009

AGENDA
Thursday, February 19

8:45 a.m. Opening Remarks
Patricia C. Mosser, Federal Reserve Bank of New York

9:00 a.m. Session 1: Overview of Recent Problems in Liquidity Provision
Chair: Tobias Adrian, Federal Reserve Bank of New York
Central Bank Tools and Liquidity Shortages
Stephen G. Cecchetti, Bank for International Settlements
Piti Disyatat, Bank for International Settlements
Discussant: Bengt Holmstrom, Massachusetts Institute of Technology

10:30 a.m. Session 2: Funding Liquidity and Market Liquidity
Chair: Til Schuermann, Federal Reserve Bank of New York
Leverage, Moral Hazard, and Liquidity
Viral V. Acharya, New York University and London Business School
S. “Vish” Viswanathan, Duke University
Discussant: Patrick Bolton, Columbia University
Interbank Market Liquidity and Central Bank Intervention
Franklin Allen, University of Pennsylvania
Elena Carletti, European University Institute
Douglas Gale, New York University
Discussant: Adriano A. Rampini, Duke University
Bank Liquidity, Interbank Markets, and Monetary Policy
Xavier Freixas, Universitat Pompeu Fabra
Antoine Martin, Federal Reserve Bank of New York
David Skeie, Federal Reserve Bank of New York
Discussant: Franklin Allen, University of Pennsylvania

2:00 p.m. Session 3: Policy Responses to Illiquidity
Chair: James J. McAndrews, Federal Reserve Bank of New York
Illiquidity and Interest Rate Policy
Douglas W. Diamond, University of Chicago and National Bureau of Economic Research
Raghuram G. Rajan, University of Chicago and National Bureau of Economic Research
Discussant: Guido Lorenzoni, Massachusetts Institute of Technology
Liquidity Hoarding and Interbank Market Spreads: The Role of Counterparty Risk
Florian Heider, European Central Bank
Marie Hoerova, European Central Bank
Cornelia Holthausen, European Central Bank
Discussant: Gaetano Antinolfi, Washington University
**AGENDA**

**Thursday, February 19 (Continued)**

3:40 p.m.  **Session 4: Collateral and Haircuts**
Chair: Simon M. Potter, Federal Reserve Bank of New York

Rollover Risk and Market Freezes
   Viral V. Acharya, New York University and London Business School
   Douglas Gale, New York University
   Tanju Yorulmazer, Federal Reserve Bank of New York
Discussant: Michael Manove, Boston University

Central Bank Haircut Policy
   James Chapman, Bank of Canada
   Jonathan Chiu, Bank of Canada
   Miguel Molico, Bank of Canada
Discussant: Mitchell Berlin, Federal Reserve Bank of Philadelphia

6:00 p.m.  **Keynote Address**
John Geanakoplos, Yale University

**AGENDA**

**Friday, February 20**

9:00 a.m.  **Session 5: Empirical Evaluation of Central Bank Liquidity Programs—Part I**
Chair: Seth B. Carpenter, Board of Governors of the Federal Reserve System

Do Central Bank Liquidity Facilities Affect Interbank Lending Rates?
   Jens H. E. Christensen, Federal Reserve Bank of San Francisco
   Jose A. Lopez, Federal Reserve Bank of San Francisco
   Glenn D. Rudebusch, Federal Reserve Bank of San Francisco
Discussant: Pierre Collin-Dufresne, Columbia University

Repo Market Effects of the Term Securities Lending Facility
   Michael Fleming, Federal Reserve Bank of New York
   Warren Hrung, Federal Reserve Bank of New York
   Frank Keane, Federal Reserve Bank of New York
Discussant: Lasse H. Pedersen, New York University
AGENDA
Friday, February 20 (Continued)

10:40 a.m. Session 6: Empirical Evaluation of Central Bank Liquidity Programs—Part II
Chair: James Vickery, Federal Reserve Bank of New York

Funding Liquidity Risk: Definition and Measurement
Mathias Drehmann, Bank for International Settlements
Kleopatra Nikolaou, European Central Bank
Discussant: Marie Hoerova, European Central Bank

Provision of Liquidity through the Primary Credit Facility during the Financial Crisis:
A Structural Analysis
Erhan Artuç, Koc University
Selva Demiralp, Koc University
Discussant: Carolyn Wilkins, Bank of Canada

1:15 p.m. Panel Discussion
Chair: Patricia C. Mosser, Federal Reserve Bank of New York

Panel:
Louis Crandall, Wrightson ICAP
Andrew W. Lo, Massachusetts Institute of Technology
Paul Mercier, European Central Bank
Lasse H. Pedersen, New York University
W. Alexander Roever, J.P. Morgan Chase