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*Centre for Applied Macroeconomics Analysis, Australian National University*

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*Reserve Bank of Australia*

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*Laboratory for Aggregate Economics and Finance, UCSB*

***FRIDAY, DECEMBER 11***

**Information about Sessions:**

\* Papers are downloadable from clicking on ME<sub>i</sub> or AT<sub>i</sub>,  $i=\{1, \dots, 13\}$  in each session. Co-authors for each papers are listed at the end of the program as well as registered participants.

\* Rules for the sessions: Presentation is 35 minutes, and discussion 10 minutes. The last presenter of each session is the Chair of the Session by default, and switch to the first presenter as chair when they present.

**8:30 – 9:00: *Coffee and assorted savoury snacks***

**9:00 – 9:30 *Introductions: James Morley and Benoit Julien (UNSW)***

	Room 1: Macroeconometric/Empirical (ME)	Room 2 Applied Theory (AT)
<b>Session 1:</b>	<i>Signal extraction, macro policy, and forecasting</i>	<i>Inequality</i>
9:30-10:15	<p><b>ME1.</b> "Risk Management-Driven Policy Rate Gap in Recessions and Expansions"</p> <p>Efrem Castelnuovo (U. of Melbourne)</p> <p>Discussant: Arpita Chatterjee (UNSW)</p>	<p><b>AT1.</b> " 'r-g' and Wealth Inequality: The Role of Income Risk?"</p> <p>Robert Kirkby (VUW, NZ)</p> <p>Discussant: Chung Tran (ANU)</p>
10:15-11:00	<p><b>ME2.</b> "A Reliable Output Gap that Reflects Policymakers' Beliefs"</p> <p>Benjamin Wong (RBNZ, NZ)</p> <p>Discussant: Glenn Otto (UNSW)</p>	<p><b>AT2.</b> "Optimal Progressivity With Frictions To Knowledge Diffusion"</p> <p>Debasis Bandyopadhyay (U. Auckland, NZ)</p> <p>Discussant: Ian King (UQ)</p>
11:00-11:45	<p><b>ME3.</b> "State Correlation and Forecasting: A Bayesian Approach Using Unobserved Components Models"</p> <p>Luis Uzeda (ANU)</p> <p>Discussant: Alfred Haug (U. of Otago)</p>	<p><b>AT3.</b> "Health Expenditures and Inequality: a Political Economy Perspective"</p> <p>Sharmila Gamlath (QUT)</p> <p>Discussant: George Kudrna (UNSW-CEPAR)</p>

11:45 – 1:00 *Lunch buffet at the Crowne Plaza Bluesalt Restaurant&Bar*

	Room 1	Room 2
<i>Session 2</i>	<i>Monetary Policy Assessment</i>	<i>Monetary Policy</i>
1:00-1:45	<p><b>ME4.</b> "<i>Monetary Policy and Indeterminacy after the 2001 slump</i>"</p> <p>Mark Weder (U. of Adelaide)</p> <p>Discussant:</p> <p>Anthony Brassil (RBA)</p>	<p><b>AT4.</b> "<i>Optimal Monetary Policy at the Zero Lower Bound</i>"</p> <p>Aarti Singh (U. of Sydney)</p> <p>Discussant:</p> <p>Jose Dorich (Bank of Canada)</p>
1:45-2:30	<p><b>ME5.</b> "<i>Assessing Monetary Policy Models: Bayesian Inference for Heteroskedastic Structural Vector Autoregressions</i>"</p> <p>Tomasz Wozniak, U of Melbourne</p> <p>Discussant:</p> <p>Benjamin Wong (RBNZ)</p>	<p><b>AT5.</b> "<i>Over-the-Counter Markets, Intermediation and Monetary Policy</i>"</p> <p>Han Han, Peking University, China</p> <p>Discussant:</p> <p>Pedro Gomis-Porqueras (Deakin U.)</p>

2:30 – 3:00 *Break 1*

	Room 1	Room 2
<i>Session 3</i>	<i>Inflation Targeting and Global Macro Risks</i>	<i>Credit and Liquidity</i>

<p>3:00-3:45</p>	<p><b>ME6. "Time-Varying Inflation Target and Price Indexation in the New Keynesian DSGE Model"</b></p> <p><b>Yunjong Eo (U of Sydney)</b></p> <p>Discussant:</p> <p><b>Efrem Castelnuovo (U. of Melbourne)</b></p>	<p><b>AT6. "Livin' on the Edge with Ratings: Liquidity, Efficiency and Stability"</b></p> <p><b>Jonathan Chiu (VUW, NZ and Bank of Canada)</b></p> <p>Discussant:</p> <p><b>Garth Baugham (Board of Governors, Federal Reserve, USA)</b></p>
<p>3:45-4:30</p>	<p><b>ME7. "Global Macro Risks in Currency Excess Returns"</b></p> <p><b>Mark Nelson (U of Notre-Dame and NBER)</b></p> <p>Discussant:</p> <p><b>Nalini Prasad (UNSW)</b></p>	<p><b>AT7. "Capital Pledgeability, Inflation and Unemployment"</b></p> <p><b>Liang Wang (U of Hawaii, USA)</b></p> <p>Discussant:</p> <p><b>Benoit Julien (UNSW)</b></p>

**4:30 – 4:45 Break 2**

**4:45 – 5:45 Plenary 1:**

***Professor Randall Wright***

***(U of Wisconsin, Chicago Fed, Minneapolis Fed, and NBER)***

**"Costly Credit and Sticky Prices"**

**6:15 – Drinks at the Crowne Plaza (Follow the signs)**

7:15 Workshop Dinner (at the Crowne Plaza, follow the signs and more details from the Dinner button link)

**SATURDAY,  
DECEMBER 12**

8:30 – 9:00: Coffee and assorted savoury snacks

	Room 1	Room 2
<b>Session 4</b>	<b>Consumption and Home Production</b>	<b>Inflation Expectations</b>
<b>9:00-9:45</b>	<p><b>ME8. "The effect of consumer sentiment on consumption: cross sectional evidence from elections"</b></p> <p><b>Nalini Prasad (UNSW)</b></p> <p><b>Discussant:</b></p> <p><b>Yu Zhu (U. of Leicester and Bank of Canada)</b></p>	<p><b>AT8. "In Search of a Nominal Anchor: What Drives Inflation Expectations"</b></p> <p><b>Bruce Preston (U. Melbourne)</b></p> <p><b>Discussant:</b></p> <p><b>Christie Smith (RBNZ)</b></p>
<b>9:45-10:30</b>	<p><b>ME9. "Does Home Production Drive Structural Transformation?"</b></p> <p><b>Solmaz Moslehi (Monash U.)</b></p> <p><b>Discussant:</b></p> <p><b>Xiaodong Fan (UNSW-CEPAR)</b></p>	<p><b>AT9. "Disinflations in a model of imperfectly anchored expectations"</b></p> <p><b>Christopher G. Gibbs (UNSW)</b></p> <p><b>Discussant:</b></p> <p><b>Natalia Ponomareva (Macquarie U.)</b></p>

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**10:30 – 10:45 Break 1**

**10:45 – 11:45 Plenary 2:**

*Professor George Evans (U of Oregon)*

**"Learning to Optimize: Theory and Applications"**

**11:45 – 1:00 Lunch buffet at the Crowne Plaza Bluesalt Restaurant&Bar (and AMS Board Meeting)**

	<b>Room 1</b>	<b>Room 2</b>
<b>Session 5</b>		<b>RBC and OLG</b>

1:00-1:45	<p><b>ME10.</b> "A New test of Ricardian equivalence using the narrative record on tax changes"</p> <p>Alfred Haug (U. Otago, NZ)</p> <p>Discussant:</p> <p>Debasis Bandyopadhyay (U. Auckland, NZ)</p>	<p><b>AT12.</b> "Product Scope and Endogenous Fluctuations"</p> <p>Oscar Pavlov (QUT)</p> <p>Discussant:</p> <p>Scott French (UNSW)</p>
1:45-2:30	<p><b>ME11.</b> "Changes in the Factor Structure of the U.S. Economy: Permanent Breaks or Business Cycle Regimes?"</p> <p>Luke Hartigan (UNSW)</p> <p>Discussant:</p> <p>Gabriela Nodari (UNSW)</p>	<p><b>AT13.</b> "Budget Repair Measures: Tough Choices for Australia's Future"</p> <p>George Kudrna (UNSW and CEPAR)</p> <p>Discussant:</p> <p>Robert Kirkby (VUW, NZ)</p>

**2:30 – 3:00 Break 2**

	Room 1	Room 2
<b>Session 6</b>	<b><i>Financial and Global Connectedness</i></b>	<b><i>Labour Market Search and Matching</i></b>
3:00-3:45	<p><b>ME12.</b> "Financial Integration in the Euro Zone Post Debt Crisis: Multiple Channel Tests of Asset Markets"</p> <p>Renée Fry-McKibbin, (ANU Crawford School of Public Policy and CAMA)</p> <p>Discussant:</p> <p>James Morley (UNSW)</p>	<p><b>AT10.</b> "Deadlines and Matching"</p> <p>Garth Baughman (Federal Reserve Board of Governors, USA)</p> <p>Discussant:</p> <p>Guillaume Roger (U. of Sydney)</p>

3:45-4:30	<b>ME13. "Rent Extraction by Capitalists"</b>  Markus Brueckner (UQ)  Discussant:  Chris Gibbs (UNSW)	<b>AT11. "Multi-Market Simultaneous Search"</b>  Chao He (SUFU, China)  Discussant:  Edward Xie (UNSW)
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4:30 – 4:45 *Break 3*

4:45 – 5:45 *Plenary 3:*

*Professor Finn Kydland (Nobel Laureate 2004)*

*(UCSB and LAEF)*

***"Economic Policy and Growth"***

5:45 – 6:00 *Presentation for Best Discussants Prizes for ME and AT sessions and closing remarks by Chair of AMS, Professor Ian King (UQ)*

6:00 – *Drinks and Dinner (Interested in joining a group for Informal Dinner in the City, Click [HERE](#))*

**SUNDAY 13 DECEMBER**

**SEE LAEF PROGRAM**

**Co-authors of presented papers:**



<b>ME1: Giovanni Caggiano (University of Padova) and Gabriela Nodari (UNSW)</b>	<b>AT1: N/A</b>
<b>ME2: Gunes Kamber (RBNZ) and James Morley (UNSW)</b>	<b>AT2: Xueli Tang (Deakin University)</b>
<b>ME3: N/A</b>	<b>AT3: Radhika Lahiri (QUT)</b>
<b>ME4: Firmin Doko Tchatokay, Nicolas Groshenny and Qazi Haque (all U. of Adelaide)</b>	<b>AT4: Costas Azariadis (Washington University in St. Louis, and Federal Reserve Bank of St. Louis), James Bullard (Federal Reserve Bank of St. Louis) and Jacek Sudax (Narodowy Bank Polski)</b>
<b>ME5: Matthieu Droumaguet (Goldman Sachs, Hong Kong)</b>	<b>AT5: N/A</b>
<b>ME6: Denny Lie (U. of Sydney)</b>	<b>AT6: Thorsten Koepl (Queen's University)</b>
<b>ME7: Kimberly A. Berg (Bank of Canada)</b>	<b>AT7: Chao Gu (University of Missouri) and Janet Hua Jiang (Bank of Canada)</b>
<b>ME8: Christian Gillitzer (RBA)</b>	<b>AT8: Carlos Carvalho (PUC-Rio), Stefano Eusepi (Federal Reserve Bank of NY) and Emanuel Moench (Deutsche Bundesbank)</b>
<b>ME9: Alessio Moro (University of Cagliari) and Satoshi Tanaka (University of Queensland)</b>	<b>AT9: Mariano Kulish (UNSW)</b>
<b>ME10: N/A</b>	<b>AT10: N/A</b>
<b>ME11: N/A</b>	<b>AT11: Xiaodong Fan (UNSW)</b>
<b>ME12: Cody Yu-Ling Hsiao (UNSW) and Vance L. Martin (U. of Melbourne)</b>	<b>AT12: Mark Weder (University of Adelaide)</b>
<b>ME13: Viet Hoang Nguyen (Melbourne Institute of Applied Economic and Social Research) and Yongcheol Shin (University of York)</b>	<b>AT13: Chung Tran (ANU)</b>

## LIST OF REGISTERED PARTICIPANTS

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Alfred Haug (U of Otago)

Andres Bellofatto (UQ)

Anja Bauer ( U of Erlangen-Nuremberg)

Anthony Brassil (RBA)

Aris Boukouras (U of of Leicester)

Arpita Chatterjee (UNSW)

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Benjamin Wong (RBNZ)

Bruce Preston (U of Melbourne)

Cathy Zhang (Purdue U)

Chao He (SUFU, China)

Christian Gillitzer (RBA)

Christie Smith (RBNZ)

Christopher Gibbs (UNSW)

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Elena Capatina (UNSW-CEPAR)

Finn Kydland (UCSB and LAEF)

Gabriela Nodari (UNSW)

Garth Baughman (Board of Gov. Fed Reserve)

George Evans (U of Oregon)

George Kudrna (UNSW-CEPAR)

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Ian King (UQ)

Ilya Serov (U of Sydney)

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Jonathan Chiu (VUW and Bank of Canada)

Jose Dorich (Bank of Canada)

Larry Liu (ANU)

Liang Wang (U of Hawaii)

Luis Uzeda (ANU)

Luke Hartigan (UNSW)

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