

Final Workshop of the DFG Priority Programme 1578

“Financial Market Imperfections and Macroeconomic Performance”

December 13 and 14, 2018

University of Mannheim
Senatssaal (O 26), Schloss, Ostflügel

Thursday, December 13, 2018

- 12:00-13:00 **Registration and Lunch**
- 13:00-13:30 *The SPP “Financial Market Imperfections and Macroeconomic Performance” – An Overview*
Tom Krebs, University of Mannheim
- 13:30-15:30 **Session 1: Expectations, Risk Attitude and Financial Crises**
Divergent Risk-Attitudes and Endogenous Collateral Constraints
Giuliano Curatola, Goethe University Frankfurt (with E. Faia)

Adding Fuel to the Flame: The Dynamics of Overconfidence in Asset Price Bubbles
Steffen Ahrens, TU Berlin (with R. Geismar and F. Heinemann)

Financial Contagion through Market Prices – Theory and Evidence
Hendrik Hakenes, University of Bonn / **Johannes Tischler**, Bundesbank (with I. Schnabel)
- 15:30 – 16:00 **Coffee Break**
- 16:00 – 18:00 **Sessions 2: Macroeconomic Implications of Credit Booms**
Credit Booms, Debt Overhang and Secular Stagnation
Gerhard Illing, LMU Munich (with A. Schwemmer)

Macroeconomic Implications of the Long-Run Decline in Real Interest Rates
Matthias Mand, University of Mannheim (with T. Krebs)

Lender-specific mortgage supply shocks and macroeconomic performance in the United States
Franziska Bremus, DIW Berlin / **Thomas Krause**, IWH Halle (with F. Noth)
- 19:00 **Dinner**

Friday, December 14, 2018

08:30-10:30

Session 3: Financial Frictions and the Business Cycle

Aggregate Shocks, Financial Frictions and the Extensive Margin of Price Adjustment

Almut Balleer, RWTH Aachen University (with N. Hristov and P. Zorn)

Higher-Order Income Risk over the Business Cycle: A Parametric Approach

Alexander Ludwig, Goethe University Frankfurt (with C. Busch)

Pecuniary Externalities and Policy Interventions in a Heterogeneous Agents Economy

Andreas Schabert, University of Cologne (with J. Röttger and C. Loenser)

10:30 - 11:00

Coffee Break

11:00 – 13:00

Session 4: Banking and Financial Markets

Global Banking, Trade, and the International Transmission of the Great Recession

Zeno Enders, Heidelberg University (with A. Born)

Bank Equity Issues: Determinants, Costs and Systemic Effects

Valeriya Dinger, University of Osnabrück

The Allocation of Talent to Financial Trading versus Entrepreneurship: Welfare Effects of Trading in General Equilibrium

Lutz Arnold, University of Regensburg (with S. Zelzner)

13:00-14:00

Lunch

14:00 -16:00

Session 5: Sovereign Debt and Insurance

Sovereign and Private Default Risks over the Business Cycle

Almuth Scholl, University of Konstanz (with L. Kaas and J. Mellert)

Market discipline: Sovereign spread shocks and macroeconomic performance

Gernot Müller, University of Tübingen (with S. Wellmann)

(Supra) National Supervision

Rainer Haselmann, Goethe University Frankfurt (with B. Weder di Mauro)

Time allocation: **Presentation 30 min**
 General discussion 10 min