

Call for Papers

Board of Governors of the Federal Reserve System, European Central Bank, Federal Reserve Bank of Dallas and Hong Kong Institute for Monetary Research

“Diverging Monetary Policies, Global Capital Flows and Financial Stability”

Hong Kong, Thursday & Friday, October 15-16, 2015

The Hong Kong Institute for Monetary Research, the Board of Governors of the Federal Reserve System, the European Central Bank and the Federal Reserve Bank of Dallas are organizing a one-and-a-half day conference on **“Diverging Monetary Policies, Global Capital Flows and Financial Stability”** in Hong Kong on Thursday and Friday **October 15-16, 2015**.

In response to the Global Financial Crisis of 2007-2008 and the subsequent Euro Area Debt Crisis, almost all of the largest central banks quickly pushed their policy rates to the effective lower bound, where they are today. In an effort to provide further policy accommodation and support economic growth, several of these central banks have engaged in unconventional monetary policies. These include large scale asset purchase programs and forward guidance about the likely future path of monetary policy. Aggressive policy actions by some central banks put downward pressure on the foreign exchange value of their currencies, prompting concerns about “currency wars.”

Diminishing slack in some of the larger advanced economies has hastened the prospects of monetary policy normalization. Early hints that the Fed would gradually end its last large scale asset purchase program precipitated a major response in global financial markets. That program has now ended, and there is a broad expectation that policy rates will start rising in the not too distant future.

However, not all the major economies are on the steady path of recovery. Some larger central banks are still engaged in further loosening monetary policy, so there will likely be a period of diverging monetary policies among the major central banks. This could have a profound impact on global capital flows, exchange rates and financial stability.

In organizing the conference, we are particularly interested in papers that address (but are not limited to) the following topics:

- * the relationship between the stances of monetary policies, international capital flows and exchange rates;
- * divergent monetary policies and their implication for global financial stability;
- * spillovers of major central bank policies to other parts of the world, and the costs and benefits of global policy co-ordinations;
- * bank flows to emerging market economies and their influence on the availability of credit, both in domestic and foreign currency;

- * the international transmission of monetary policy through financial and trade channels;
- * the implications of financial interconnectedness for the global financial cycle and monetary control;
- * the international implications of monetary policy frameworks with interest on reserves;
- * the importance and implications of foreign currency swap lines between central banks; and
- * the impact of forward guidance on interest rate and inflation expectations.

The organizers invite submissions in these and related areas.

Organizers: Stephen Cecchetti (Brandeis University), Hongyi Chen (Hong Kong Institute for Monetary Research), Luca Dedola (European Central Bank), John Rogers (Board of Governors) and Mark Wynne (Federal Reserve Bank of Dallas).

Please submit the full paper with an abstract in pdf format to hkimr@hkma.gov.hk, using the authors' names as the filenames of the papers, and enter "Paper Submission for BoG-ECB-FRB-HKIMR Joint Conference" as the email subject line. The organizers will select the papers based on originality, analytical rigor, and policy relevance.

Deadline for paper submission: **June 30th** (authors of accepted papers will be informed by **July 31st, 2015**). Economy-class travel and local accommodation for speakers and discussants from academic institutions will be funded by the local organizer.