

The Paul Woolley Centre for the Study of Capital Market Dysfunctionalities

Third Annual Conference

10 -12 June 2010

*Room R405, 4th Floor, Lionel Robbins Building
Portugal Street, London WC2A 2HD*

Organisers:

Bruno Biais • Amil Dasgupta • Thierry Foucault • Itay Goldstein • Denis Gromb
• Christopher Polk • Dimitri Vayanos • Paul Woolley • Kathy Yuan

Registration Enquiries:

Steve Payne: s.payne@lse.ac.uk

Programme

Thursday 10 June

Registration opens at 9:00 am

Focus Session on Real Effects of Financial Markets

9.30 WELCOME ADDRESS

Session 1: Financial Markets and the Real Economy: Information and Investments

9.40 Learning from Stock Prices and Economic Growth

* **Joel Peress**, INSEAD

Discussant: Thierry Foucault, HEC Paris

10.30 Information Aggregation and Investment Decisions

* **Elias Albagli**, Harvard University

Christian Hellwig, UCLA

Aleh Tsyvinski, Yale University

Discussant: Amil Dasgupta, London School of Economics

11.20 BREAK

Session 2: Financial Markets and the Real Economy: Instability

11.50 Trading Frenzies and Their Impact on Real Investment

* **Itay Goldstein**, University of Pennsylvania

Emre Ozdenoren, London Business School

Kathy Yuan, London School of Economics

Discussant: Johan Hombert, HEC Paris

12.40 Blockholders versus Short Sellers: A Model of Bear Raids

Naveen Khanna, Michigan State University

* **Rich Mathews**, Duke University

Discussant: Alexander Guembel, University of Toulouse

13.30 LUNCH

14.30 Rollover Risk and Credit Risk

* **Zhiguo He**, University of Chicago

Wei Xiong, Princeton University

Discussant: James Dow, London Business School

Session 3: Financial Markets and the Real Economy: Empirical Evidence

- 15.20 Takeover Activity and Target Valuations: Feedback Loops in Financial Markets**
* **Alex Edmans**, University of Pennsylvania
Itay Goldstein, University of Pennsylvania
Wei Jiang, Columbia University
Discussant: Gordon Phillips, University of Maryland
- 16.10 BREAK**
- 16.40 The Impact of Shareholders on Corporate Investments: Evidence from Mutual Fund Holdings**
* **Roni Kisin**, University of Chicago
Discussant: Dong Lou, London School of Economics
- 17.30 CLOSE OF FIRST DAY**

* : Presenter

Programme

Friday 11 June

Registration opens at 9:30 am

Session 4: Delegated Portfolio Management -- Theory

- 10.00** **The Delegated Lucas-tree**
Ron Kaniel, Duke University
 * **Peter Kondor**, Central European University
 Discussant: Pietro Veronesi, University of Chicago
- 11.00** **Rewarding Trading Skills Without Inducing Gambling**
 * **Igor Makarov**, London Business School
Guillaume Plantin, London Business School
 Discussant: Andrea Prat, London School of Economics
- 12.00** **LUNCH**

Session 5: Delegated Portfolio Management – Empirics

- 13.00** **Organizational Structure and Fund Performance: Pension Funds vs. Mutual Funds**
 * **Russell Jame**, Goizueta Business School
 Discussant: Ian Tonks, University of Exeter
- 14.00** **Connected Stocks**
Miguel Antón, London School of Economics
 * **Christopher Polk**, London School of Economics
 Discussant: Narayan Naik, London Business School
- 15.00** **BREAK**

Session 6: Credit Markets and the Macroeconomy

- 15.30** **Credit Supply and the Price of Housing**
 * **Giovanni Favara**, HEC Lausanne, Swiss Finance Institute, IMF
Jean Imbs, HEC Lausanne, Swiss Finance Institute, IMF
 Discussant: Jack Favilukis, London School of Economics
- 16.30** **Managing Credit Booms and Busts**
Olivier Jeanne, John Hopkins University
 * **Anton Korinek**, University of Maryland
 Discussant: Dimitri Vayanos, London School of Economics
- 17.30** **CLOSE OF SECOND DAY**

* : Presenter

Programme

Saturday 12 June

Registration opens at 9:30 am

Session 7: Financial Institutions and Contracts

- 10.00** **Risk-sharing or risk-taking? Financial innovation, margin requirements and incentives**
* **Bruno Biais**, Toulouse School of Economics
Florian Heider, European Central Bank
Marie Hoerova, European Central Bank
Discussant: Simon Gervais, Duke University
- 11.00** **Optimal Interventions in Markets with Adverse Selection**
* **Thomas Philippon**, NBER and CEPR
Vasiliki Skreta, New York University
Discussant: Florian Heider, European Central Bank
- 12.00** **BREAK**
- 12.30** **The Maturity Rat Race**
Markus Brunnermeier, Princeton University
* **Martin Oehmke**, Columbia University
Discussant: Catherine Casamatta, Toulouse School of Economics
- 13.30** **CONFERENCE CLOSE**

* : Presenter