

## EE 439 Seminar in Monetary and Financial Economics Reading List

Please note that some addition and adjustment might be made along the way according to time limitation and class interest.

### 1. Asset Prices and Financial Crisis (25 January 2014)

Gilchrist, Simon and John V. Leahy. (2002). "Monetary Policy and Asset Prices." *Journal of Monetary Economics* 49: 75-97.

Case, Karl and Robert J. Shiller. (2004). "Is there a bubble in the housing market?" *Brookings Papers on Economic Activity* 2:2003. pages. 299-342.

Bernanke, Ben S. (2010). "Monetary Policy and Housing Bubble." Speech at the Annual Meeting of the American Economic Association, Atlanta, Georgia (January 3, 2010).

### 2. Monetary Policy Regimes and Transmission (1 Feb. 2014)

Clarida, Richard, Jordi Gali, and Mark Gertler. (2000). "Monetary policy rules and macroeconomic stability: evidence and some theory." *The Quarterly Journal of Economics* 115(1): 147-180.

\*\*\*Kashyap, Anil K., and Jeremy C. Stein. (2000). "What Do a Million Observations on Banks Say about the Transmission of Monetary Policy?" *American Economic Review*: 407-428.

Braun, Matia and Larrain, Borja. (2005). "Finance and the Business Cycle: International, Inter-Industry Evidence." *Journal of Finance*, 60(3), pages 1097-1128.

### 3. Transmission Channels of Monetary Policy: Case of Thailand (8 Feb. 2014)

Disyatat, Piti, and Pinnarat Vongsinsirikul. (2003). "Monetary policy and the transmission mechanism in Thailand," *Journal of Asian Economics*, Elsevier, vol. 14(3), pages 389-418.

Hesse, Heiko. (2007). "Monetary policy, structural break and the monetary transmission mechanism in Thailand." *Journal of Asian Economics*, Elsevier, vol. 18, pages 649-669.

\*\*\*Warapong Wongwachara, Benjarong Suwankiri, and Naris Sathapholdeja. (2014). "Non-linearity in Monetary Policy Transmission: Roles of Liquidity and SFIs in Bank Lending Channel." Mimeographed.

### 4. Banking Industry: Competition and Stability (15 Feb. 2014) --- **Proposal Due** ---

Claessens, Stijn, and Luc Laeven. (2004). "What drives bank competition? Some international evidence." *Journal of Money, Credit and Banking*. 563-583.

\*\*\*Beck, T., De Jonghe, O., & Schepens, G. (2013). "Bank competition and stability: cross-country heterogeneity." *Journal of Financial Intermediation*. 22(2), pages 218-244.

\*\*\*Anginer, Deniz, Asli Demirguc-Kunt, Min Zhu. (2013). "How does competition affect bank systemic risk?" *Journal of Financial Intermediation*, forthcoming.

### 5. Role of Government Banks (22 Feb. 2014)

La Porta, R., F. Lopez-de-Silanes, and A. Shleifer. (2002). "Government Ownership of Banks." *Journal of Finance* 57(1), pp. 265-301.

\*\*\*Sapienza, P. (2004). "The effect of government ownership on bank lending." *Journal of Financial Economics* 72(2), pp. 357-384.

Diñç, Serdar. (2005). "Politicians and banks: Political influences on government-owned banks in emerging markets." *Journal of Financial Economics*, 77( 2), pages 453-479.

### 6. Firm-level Effects of Financial Constraints (1 Mar. 2014)

\*\*\*Almeida, Heitor, Murillo Campello, and Michael S. Weisbach. (2004). "Cash flow sensitivity of cash." *Journal of Finance*, 59(4), pages 1777-1804.

\*\*\*Campello Murillo, John R. Graham, and Campbell R. Harvey. (2010). "The real effects of financial constraints: Evidence from a financial crisis." *Journal of Financial Economics*, 97(3), pages 470-487.

\*\*\*Kahle, Kathleen M. and René M. Stulz. (2013). "Access to capital, investment, and the financial crisis." *Journal of Financial Economics*, 110(2), pages 280-299.

**7. Origins of Financial Crises (15 Mar. 2014)**

Kaminsky, Graciela L., and Carmen M. Reinhart. (1999) "The twin crises: the causes of banking and balance-of-payments problems." *American economic review*, 89(3): 473-500.

Reinhart, Carmen M., and Kenneth S. Rogoff. (2011). "From Financial Crash to Debt Crisis." *American Economic Review* 101(5), page 1676-1706.

\*\*\*Gourinchas, Pierre-Olivier, and Maurice Obstfeld. (2012). "Stories of Twentieth Century for the Twenty-First." *American Economic Journal: Macroeconomics*, 4(1), pages 226-265.

**8. Shadow Banking, Financial Crisis, and Monetary Policy (22 Mar. 2014)**

Brunnermeier, Markus K. (2009). "Deciphering the Liquidity and Credit Crunch 2007-2008." *The Journal of Economic Perspectives*, 23(1): 77-100.

\*\*\*Adrian, T., & Shin, H. S. (2010). "Liquidity and leverage." *Journal of Financial Intermediation*, 19(3), 418-437.

Pozsar, Zoltan, Tobias Adrian, Adam Ashcraft, and Hayley Boesky. (2012). "Shadow Banking." *Federal Reserve Bank of New York Staff Report*, No. 458 (revised Feb. 2012).

**9. Global Banking, Liquidity, and Financial Inter-linkages (29 Mar. 2014)**

Goldberg, Linda S. (2013). "Banking Globalization, Transmission, and Monetary Policy Autonomy." *NBER Working Paper* No. 19497.

\*\*\*Bruno, Valentina and Hyun Song Shin (2013a), "Cross-Border Banking and Global Liquidity." *NBER Working Paper* No. 18942.

**10. Monetary Policy, Exchange Rate, and Capital Flow Management (5 Apr. 2014)**

Edwards, Sebastian. (2006). "The Relationship Between Exchange Rates and Inflation Targeting Revisited." *NBER Working Paper # 12163*.

\*\*\*Lane, Philip R. and Jay C. Shambaugh. (2010) "Financial Exchange Rate and International Currency Exposures." *American Economic Review*, 100(1), pp. 518-540.

He, Dong, and Robert McCauley. (2013) "Transmitting global liquidity to East Asia: policy rates, bond yields, currencies and dollar credit." *BIS Working Paper* No. 431.

**11. Exclusive: Capital Flow Management & Banking Industry in China (19 Apr. 2014)**

Prasad, Eswar and Shang-Jin Wei. (2007). "The Chinese Approach to Capital Inflows: Patterns and Possible Explanations." in Sebastian Edwards (edited). *Capital Controls and Capital Flows in Emerging Economies: Policies, Practices and Consequences*. University of Chicago Press: Chicago.

Frankel, Jeffrey and Shang-Jin Wei. (2007). "Assessing China's Exchange Rate Regime." *Economic Policy*, 22: 575-627.

Allen, Franklin, Juan Quian, and Meijun Qian. (2005) "Law, Finance, and Economic Growth in China." *Journal of Finance*, 67(5), pages 1811-1843.

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Ueda, Kenji, and Yuko Gomi. (2013). "Shadow Banking in China and Expanding Debts of Local Governments." *Newsletter, Affairs* No. 2, 2013, Institute for International Monetary.

Tao, Dong and Weishen Deng. (2013) "China: Shadow banking - Road to heightened risks." *Credit Suisse Economics Research* (22 February 2013).

Thomson Reuters. (2013). "Chinese Shadow Banking." *Thomson Reuters Accelus* (December 2013).

**Paper Presentation**

**Session I: 26 Apr. 2014**

**Session II: 3 May 2014**

(A short make up class may be held if necessary on 4 May 2014 for class presentation)