BANCO DE **ESPAÑA**
Eurosistema

BANK OF CANADA
BANQUE DU CANADA

Banco de España – Bank of Canada Workshop on "Advances in Fixed Income Modeling"

Madrid, 2011, 4-5 of July

Programme

Monday, July 4th

8:15 – 8:45 **Registration**

8:45 – 9:00 **Opening Remarks: Pilar L'Hotellerie-Fallois** (Associate General Director. Banco de España)

Morning Chair: **Antonio Díez de los Ríos** (Bank of Canada)

9:00 – 10:30 **Session 1: Inflation Expectations**

Price Discovery on Traded Inflation Expectations: Does the Financial Crisis Matter?
Authors: Alexander Schulz (Deutsche Bundesbank) and **Jelena Stapf** (Deutsche Bundesbank)
Discussant: **Juan Angel Garcia** (European Central Bank)

Beliefs about Inflation and the Term Structure of Interest Rates
Authors: **Paul Ehling** (BI Oslo, and Banco de España), Michael Gallmeyer (The McIntire School of Commerce, University of Virginia), Christian Heyerdahl-Larsen (London Business School), Philipp Illeditsch (The Wharton School, University of Pennsylvania)
Discussant: **Astrid Schornick** (INSEAD)

10:30 – 11:00 **Coffee Break**

11:00 – 12:30 **Session 2: Sovereign Bond Markets**

Price and Liquidity Risk Premia in Sovereign Bond Markets
Authors: Emma Berenguer (Universidad Pablo de Olavide), **Ricardo Gimeno** (Banco de España) and Juan Nave (Universidad Cardenal Herrera)
Discussant: **Alicia Sanchis** (Banco Santander)

Common Factors and Commonality in Sovereign CDS Spreads: A Consumption-Based Explanation
Authors: Patrick Augustin (Stockholm School of Economics) and **Romeo Tedongap** (Stockholm School of Economics)
Discussant: **Belen Nieto** (Universidad de Alicante)

12:30 – 14:30 **Lunch**

Afternoon Chair: **Ricardo Gimeno** (Banco de España)

14:30 – 16:00 **Session 3: International Term Structure Models**

Detecting Common and Local Factors in International Treasury Yield Curves
Authors: **Fulvio Pegoraro** (Banque de France, CREST, and HEC Lausanne), and Luca Tiozzo 'Pezzoli' (Banque de France and Paris Dauphine University)
Discussant: **Gabriel Perez-Quiros** (Banco de España)

An International Dynamic Term Structure Model with Economic Restrictions and Unspanned Risks

Authors: **Gregory H. Bauer** (Bank of Canada) and Antonio Diez de los Rios (Bank of Canada)

Discussant: **Pavol Povala** (University of Lugano)

16:00 – 16:30 **Coffee Break**

16:30 – 18:00 **Session 4: Extracting the Information Contained in the Yield Curve**

Forecasting with the Term Structure: The Role of No-Arbitrage Restrictions

Authors: **Gregory R. Duffee** (Johns Hopkins University)

Discussant: **Antonio Diez de los Rios** (Bank of Canada)

Information in the Yield Curve: A Macro-Finance Approach

Authors: **Hans Dewachter** (National Bank of Belgium and University of Leuven), Leonardo Iania (University of Leuven and Maastricht University), and Marco Lyrio (Insper Institute of Education and Research)

Discussant: **Andrew Meldrum** (University of Cambridge)

20:30 **Dinner: Restaurante Le Cabrera** (Pº Recoletos 2)

Tuesday, July 5th

Morning Chair: **José Manuel Marqués** (Banco de España)

8:45 – 10:15 **Session 5: Volatility in Bond Markets**

Bond Variance Risk Premia

Authors: **Philippe Mueller** (London School of Economics), Andrea Vedolin (London School of Economics), and Yu-min Yen (London School of Economics)

Discussant: **Dante Amengual** (CEMFI)

Can Expectations Be Informative about Interest Rate Volatility?

Authors: **Scott Joslin** (MIT Sloan School of Management), Anh Le (Kenan-Flagler Business School, University of North Carolina at Chapel Hill)

Discussant: **Michael Gallmeyer** (University of Virginia)

10:15 – 10:30 **Coffee Break**

10:30 – 12:00 **Session 6: The Fed and the Yield Curve**

Fed Fund Futures and the Federal Reserve

Author: **Jean-Sébastien Fontaine** (Bank of Canada)

Discussant: **Alfredo Ibáñez** (ESADE Business School)

How does the Bond Market Perceive Government Interventions?

Author: **Maxim Ulrich** (Columbia Business School)

Discussant: **Andrea Vedolin** (London School of Economics)

12:00 – 12:30 **Buffet Lunch**

12:30 – 14:00 **Panel on the Implementation of Fixed Income Models for Policy Advice in Central Banks**

Chair: **Javier Ariztegui** (Deputy Governor Banco de España)

Participants: **Scott Hendry** (Bank of Canada) and **Diego Rodríguez Palenzuela** (ECB) and **Juan Ayuso** (Banco de España)