3RD ANNUAL CENTRAL BANK WORKSHOP ON THE MICROSTRUCTURE OF FINANCIAL MARKETS

hosted by the Magyar Nemzeti Bank (MNB, the central bank of Hungary)

14th -15th September, 2007

CONFERENCE PROGRAMME

Venue: Magyar Nemzeti Bank, Antall József Conference Centre, Szabadság tér 8, Budapest

Day 1, 14th September 2007

8.00 – 8.45	Registration and coffee
8.45 – 9.00	**Opening remarks** – *Ferenc KARVALITS, Deputy Governor, MNB*
9.00 – 10.20	**Session 1 – Bond trading platforms in Europe and the US** (Chair: *Giorgio VALENTE, University of Leicester*) **P. Dunne, H. Hau and M. Moore: A tale of two platforms: do customers get a good deal in European bond markets?** – *Peter DUNNE, Queens University (Belfast)* Discussant: *Christine PARLOUR, UC Berkeley* **M. J. Fleming and B. Mizrach: The microstructure of a U.S. Treasury ECN: the BrokerTec platform** – *Michael FLEMING, Federal Reserve Bank of New York* Discussant: *Sergio GINEBRI, University of Molise*
10.20 – 10.40	Coffee
10.40 – 12.40	**Session 2 – Market design and technology on equity markets** (Chair: *Bernt Arne ØDEGAARD, Norwegian School of Management*) **A. Menkveld: Designated market markers for small-cap stocks: is one enough?** – *Albert MENKVELD, Vrije Universiteit Amsterdam* Discussant: *Randi NÆS, Norges Bank* **D. Easley, T. Hendershott and T. Ramadorai: The price of latency** – *Terrence HENDERSHOTT, UC Berkeley* Discussant: *Thierry FOUCAULT, HEC Paris* **P. L. Swan and P. J. Westerholm: Market quality after ASX moves towards a more anonymous equity market** – *Joakim WESTERHOLM, University of Sydney* Discussant: *Sophie MOINAS, Toulouse University*
12.40 – 13.40	Lunch
13.40 – 15.00	**Session 3 – Private information on the FX market** (Chair: *Tanseli SAVASER, Williams College*) **G. Bjønnes, C. Osler and D. Rime: Asymmetric information in the foreign exchange market** – *Dagfinn RIME, Norges Bank* Discussant: *Michael KING, Bank of Canada*

	E. Girardin and R. K. Lyons: Does intervention alter private behavior? – *Eric GIRARDIN, Université de la Méditerrannée* Discussant: *Lukas MENKHOFF, Leibniz University, Hannover*
15.00 – 15.30	Coffee
15.30 – 16.20	**Keynote address: The macro-micro nexus in exchange rate dynamics**– *Martin EVANS, Georgetown University*
16.20 – 16.40	Discussion
19.00	Conference dinner

Day 2, 15th September 2007

8.00 – 9.00	Coffee
9.00 – 9.50	**Keynote address: Equilibrium discovery and preplay communication in an experimental market** – *Bruno BIAIS, Toulouse University*
9.50 – 10.10	Discussion
10.10 – 10.30	Coffee
10.30 – 12.30	**Session 1 – Equity market liquidity (**Chair: *Johannes SKJELTORP, Norges Bank*) **R. Næs and B. A. Ødegaard: What is the relationship between investor holding period and liquidity?** – *Bernt Arne ØDEGAARD, Norwegian School of Management* Discussant: *Stuart HYDE, Manchester Business School* **C. Ewerhart and N. Valla: Forced portfolio liquidation** – *Christian EWERHART, University of Zurich* Discussant: *Gunther WUYTS, Katholieke Universiteit Leuven* **Y. Kitsul and R. S. Mahani: Fundamental and non-fundamental (liquidity-trade) factors in returns and friction measures**– *Yuriy KITSUL, Georgia State University* Discussant: *Wing Wah THAM, University of Warwick*
12.30 – 13.30	Lunch
13.30 – 14.50	**Session 2 – Liquidity and information on bond markets** (Chair: *Eric GIRARDIN, Université de la Méditerrannée*) **R. Guo, A. Sarkar and T. Schuermann: Liquidity, yield spreads and investor heterogeneity in the corporate bond markets** – *Asani SARKAR, Federal Reserve Bank of New York* Discussant: *Peter DUNNE, Queens University (Belfast)* **G. J. Jiang, I. Lo and A. Verdelhan: Why do bond prices jump? A study of the U.S. Treasury market** – *Ingrid LO, Bank of Canada* Discussant: *Mardi DUNGEY, University of Cambridge*

14.50 – 15.20	Coffee
15.20 – 16.40	**Session 3 – Jumps and volatility in exchange rates** (Chair: *Kim ABILDGREN, Danmarks Nationalbank*) **D. Berger, A. Chaboud, E. Hjalmarsson and E. Howorka: What drives volatility persistence in the foreign exchange markets?** – *Alain CHABOUD, Federal Reserve Board* Discussant: *Ólan HENRY, University of Melbourne* **C. Osler and T. Savaser: The microstructure of exchange rate instability** – *Carol OSLER, Brandeis University* Discussant: *Elvira SOJLI, University of Warwick*
16.40 – 17.00	**Closing remarks**