



**4th Annual Central Bank Workshop on the Microstructure of Financial Markets
Hong Kong SAR, 18-19 September 2008**

Programme as of 9 September 2008

Wednesday 17 September

19:00 **Welcome dinner**
Venue: The American Club, 49/F, Two Exchange Square, Central

Thursday 18 September

08:30 – 09:00 Registration and coffee
Venue: Room 5601 (Harbour Room), 56/F, Two IFC

09:00 – 09:10 **Welcome and opening remarks**
H Genberg (HKIMR) and E Remolona (BIS)

Session 1: Keynote speech

09:10 – 10:10 M Melvin (Barclays Global Investors)

10:10 – 10:40 Coffee break

Session 2: Fixed income markets

Chair: H Genberg (HKIMR)

10:40 – 11:20 From Trade-to-trade in US Treasuries: durations, workups and news effects
Authors: M Dungey (University of Cambridge), Ó Henry (University of Melbourne)
and M McKenzie (Royal Melbourne Institute of Technology)
Discussant: I Lo (Bank of Canada)

11:20 – 12:00 The information content of volatility and order flow – intraday evidence from the
US Treasury market
Authors: G Jiang (University of Arizona) and I Lo (Bank of Canada)
Discussant: Ó Henry (University of Melbourne)

12:00 – 13:30 **Lunch buffet**
Venue: Room 5603, 56/F, Two IFC



Thursday 18 September

Session 3: Foreign exchange markets

Chair: G Valente (University of Leicester)

- 13:30 – 14:10 Economic news, price discovery and liquidity in the foreign exchange market
Author: W Tham (Erasmus University)
Discussant: L Menkhoff (Leibniz Universität Hannover)
- 14:10 – 14:50 Do foreign exchange market participants listen to verbal intervention?
Authors: E Girardin (University Aix-Marseille 2), R Lyons (UC Berkeley) and M Sager (University of Warwick)
Discussant: M Dungey (University of Cambridge)
- 14:50 – 15:30 Capital flows, portfolio balance effects, and foreign exchange returns: The case of Thailand
Authors: J Gyntelberg (BIS), M Loretan (BIS), T Subhanij (Bank of Thailand) and E Chan (BIS)
Discussant: E Sojli (Erasmus University)
- 15:30 – 16:00 Tea break

Session 4: Equity markets

Chair: P Wooldridge (BIS)

- 16:00 – 16:40 Liquidity and the business cycle
Authors: J Skjeltorp and R Næs (Central Bank of Norway), and B Ødegaard (University of Stavanger)
Discussant: P D’Arcy (Reserve Bank of Australia)
- 16:40 – 17:20 The impact of liquidity shocks through the limit order book
Author: G Wuyts (University of Leuven)
Discussant: H Duong (Monash University)
- 17:20 – 18:00 How do designated market makers create value for small-caps
Authors: A Menkveld and T Wang (VU University Amsterdam)
Discussant: B Ødegaard (University of Stavanger)
- 18:00 **Workshop adjourns**
- 19:00 **Workshop dinner**
Venue: The HK Bankers Club, 43/F, Gloucester Tower, The Landmark, Central



Friday 19 September

08:30 – 09:00 Coffee

Session 5: Keynote speech

09:00 – 10:00 K Chan (Hong Kong University of Science and Technology)

10:00 – 10:30 Coffee break

Session 6: Equity markets

Chair: D Rime (Central Bank of Norway)

10:30 – 11:10 Hidden orders and optimal submission strategies in a dynamic limit order market
Authors: S Buti (University of Toronto) and B Rindi (Bocconi University)
Discussant: I Roşu (University of Chicago)

11:10 – 11:50 Order book slope and price volatility
Authors: H Duong and P Kalev (Monash University)
Discussant: M Loretan (BIS)

11:50 – 12:30 The impact of hidden liquidity in limit order books
Authors: S Frey (University of Tübingen) and P Sandås (University of Virginia)
Discussant: G Wuyts (University of Leuven)

12:30 – 14:00 **Lunch buffet**
Venue: Room 5603, 56/F, Two IFC

Session 7: Foreign exchange markets

Chair: M Yiu (HKIMR)

14:00 – 14:40 Learning from post-trade identity disclosure in electronic trading
Authors: L Menkhoff and M Schmeling (Leibniz Universität Hannover)
Discussant: D Rime (Central Bank of Norway)

14:40 – 15:20 Liquidity and information in order driven markets
Author: I Roşu (University of Chicago)
Discussant: C Parlour (UC Berkeley)

15:20 – 16:00 Exchange rate risk, transactions costs and the forward bias puzzle
Authors: A Ranaldo (Swiss National Bank) and A Sarkar (Federal Reserve Bank of New York)
Discussant: E Sojli (Erasmus University)



Friday 19 September

16:00 – 16:30 Tea break

Session 8: Credit default swap markets

Chair: E Remolona (BIS)

16:30 – 17:10 Liquidity and credit default swap spreads

Authors: D Tang (University of Hong Kong) and H Yan (University of South Carolina)

Discussant: S Nakagawa (Bank of Japan)

17:10 – 17:50 How liquid is the CDS market?

Authors: A Fulop and L Lescourret (ESSEC)

Discussant: D Tang (University of Hong Kong)

17:50 – 18:00 **Closing remarks**

E Remolona (BIS)

18:00 **Workshop ends**