

InterConnectedness Newsletter

2021-Q2



THE COVID-19 UPDATE

- **Online events with academics and policymakers**
 - [How trading frenzies affect the real economy \(Itay Goldstein\)](#)
 - [Taming a Minsky Cycle \(Ivan Werning\)](#)
 - [GameStop and predatory trading \(Lasse Pedersen\)](#)
 - [What Wall Street's Short-squeeze means for investors and regulators \(Sasha Indarte\)](#)
 - [Should we worry about central banks becoming activist capital allocators? \(Stephen Cecchetti and Signe Krogstrup\)](#)
 - [Interview with Nobuhiro Kiyotaki, winner of the 13th Frontiers of Knowledge Award in Economics](#)
- **Media, policy, reports, and nontechnical articles**
 - [Will capital flows from global banks support economic recovery?](#)
 - [Policy responses to the corporate solvency problem in the ongoing Covid-19 crisis](#)
 - [Covid-19 is a persistent reallocation shock](#)
 - [When is stimulus too much for markets? \(FT Opinion Markets Insights, Mohammed El-Erian\)](#)
 - [How embracing uncertainty can help policymakers during a pandemic](#)

- [Moral hazard, fear of the markets, and how central bank responded to Covid-19](#)
- [The surprising results of pandemic unemployment benefits](#)
- [Quantifying the Covid-19 effects on core PCE inflation](#)
- [Firm exit patterns and the post-Covid cleansing mechanisms: Evidence from Japan](#)
- [As Covid rages, bankruptcy cases fall](#)
- [US 'excess' savings are not excessive](#)
- [Why is the Default Rate So Low? How Economic Conditions and Public Policies Have Shaped Mortgage and Auto Delinquencies During the COVID-19 Pandemic](#)
- [Investor size, liquidity and prime MMF stress](#)
- [Startups boom in the United States during Covid-19](#)
- [Covid-19 bank dividend payout restrictions: Effects and tradeoffs](#)
- [Deadly debt crises: Covid-19 in emerging markets](#)
- [Corporate liquidity and solvency in Europe during COVID-19: The role of policies](#)
- [Handle with care: Regulatory easing in times of COVID-19](#)
- [Supporting firms in restructuring and recovery](#)
- [When and how to unwind Covid support measures to the banking system?](#)
- [How countries are helping small businesses survive Covid-19](#)
- [Keeping it local: A secure and stable way to access financing](#)
- **Central bank communications**
 - [Transcript: Fed Chief Powell speaks to the Economic Club of New York \(WSJ\)](#)
 - [Transcript: Fed Chairman Jerome Powell at the WSJ Jobs Summit \(WSJ\)](#)
 - [Fed's Powell Takes Questions on Job Market, Interest Rates, Bond Yields \(Jerome Powell\)](#)
 - [Some Preliminary Financial Stability Lessons from the COVID-19 Shock \(Brainard\)](#)
 - [My perspective on bank regulation and supervision \(Bowman\)](#)
 - [Themistocles and the Mathematicians: The Role of Stress Testing \(Quarles\)](#)
 - [Treasury may be able to facilitate climate stress tests on financial firms \(WSJ\)](#)
 - [Unconventional fiscal and monetary policy at the zero lower bound \(Schanbl\)](#)
 - [Let's talk about negative rates \(Tenreyro\)](#)
 - [The waning pandemic and the US economy \(Bullard\)](#)
 - [From green neglect to green dominance? \(Schnabl\)](#)
 - [QE as an economic policy tool: What does it do and how should we use it? \(Ramsden\)](#)
 - [Lessons from Covid – a macroprudential framework for the market-based finance sector \(Makhlouf\)](#)
 - [Macroprudential policy after the Covid-19 pandemic \(de Guindos\)](#)
 - [Monetary policy during and after Covid-19 era \(Amamiya\)](#)
 - [The recovery, investment, and monetary policy \(Lowe\)](#)
- **Academic research**
 - [Why did bank stocks crash during Covid-19?](#)
 - [Liquidity insurance vs. credit provision: Evidence from the COVID-19 crisis](#)
 - [Are banks catching corona? Effects of COVID on lending in the US](#)
 - [Motivating banks to lend? Understanding bank participation in the Main Street Lending Program](#)
 - [Is a friend in need a friend indeed? How relationship borrowers fare during the Covid-19 crisis](#)
 - [How the new Fed municipal bond facility capped muni-Treasury yield spreads in the Covid-19 recession](#)
 - [Inequality in the time of Covid-19: Evidence from mortgage delinquency and forbearance](#)
 - [How much stress could Covid put on corporate credit? Evidence from sectoral data](#)
 - [The impact of Covid-19 on US firms](#)
 - [Will Schumpeter Catch Covid-19?](#)
 - [Business formation: A tale of two recessions](#)
 - [The Covid-19 shock and consumer credit: Evidence from credit card data](#)
 - [Debt rollover risk, CDS spread and stock returns: Evidence from the Covid-19 crisis](#)
 - [Coronavirus shock to financial stability](#)
 - [Beyond the pandemic: Reviving Europe's banking union](#)
 - [COVID-19 She-Cession: The Employment Penalty of Taking Care of Young Children](#)
- **Data & Code**
 - [Big data for 21st century economic statistics](#)
- **Webinar series**
 - [Applied machine learning, economics and data science](#) online seminar series
 - [Villanova webinars in financial intermediation \(Wifi\)](#)
 - [Discrimination seminar](#)
 - [Webinar series in Finance and Development \(WEFIDEV\)](#)
 - [Labor and finance online seminar](#)
 - [Geneva Trade and Development Workshop](#)
 - [Micro and macro implications of household behavior and financial decision-making](#)
 - [CREI-UPF macro seminar](#)
 - [London Law & Finance seminar series](#)
 - [CEPR The policy implications of recent globalization research \(monthly online seminars\)](#)
 - [CAFIN and UC investments speaker series](#)

CONFERENCE ANNOUNCEMENTS

- The BSGE Summer Forum “Financial Shocks, Channels, and Macro Outcomes” will take place during Jun 17-18. Deadline: **Mar 14 (today)**. <https://www.barcelonagse.eu/summer-forum/workshop-financial-shocks-channels-macro-outcomes>
- The Southern Finance Association 2021 Annual Meeting will take place in Captiva Island (FL) during Nov 17-20. Deadline: **Mar 15**. <https://www.openconf.org/sfa2021/openconf.php>
- The 15th New York Fed/NYU Stern Conference on Financial Intermediation Conference will take place on Jun 10-11 online. Deadline: **Mar 15**. https://docs.google.com/forms/d/e/1FAIpQLSe_dHDshLFKncmy7KqTTUmWBjRShGFEvABHaXT5oelU6e0jdg/viewform
- The 11th ECB Conference on Forecasting Techniques — Macroeconomic forecasting in abnormal times will take place during Jun 15-16. Deadline: **Mar 23**. https://www.ecb.europa.eu/pub/conferences/html/20210615_forecasting_techniques_CALL.en.html
- The Northern Finance Association (NFA) Annual Conference for 2021 will take place virtually during Sept 16-18. Deadline: **Mar 28**. <https://northernfinanceassociation.org/conference/call-for-papers/>
- The Conference on Systemic Risk Analytics - RiskLab Finland, Bank of Finland and European Systemic Risk Board Joint Conference will take place during Jul 1-2 (hybrid virtual/Helsinki). Deadline: **Mar 31**. <https://www.suomenpankki.fi/en/financial-stability/events/2021-risklabbofesrb-conference-on-systemic-risk-analytics/>
- The Workshop on Banking and Finance in Emerging Markets will take place in Strasbourg during Sep 27-28. Deadline: **Mar 31**. <https://www.bofit.fi/fi/tutkimus/konferenssit-ja-tyopajat/2021/2021-09-27-workshop-on-banking-and-finance-in-emerging-markets/>
- The 6th SDU (University of Southern Denmark) Finance Workshop will take place on Jun 3. Deadline: **Mar 31**. <https://www.sdu.dk/en/sdufinanceworkshop>
- The EAEPE Annual Conference Research Area X “Knowledge, networks and regions” will take place online during Sep 2-4. Deadline: **Apr 1**. <https://claudius-graebner.com/CfP-RAX2021.pdf>
- The 44th NBER Summer Institute will take place during Jul 12-30. Deadline: **Apr 5**. <https://www.nber.org/call-papers-44th-annual-nber-summer-institute>
- The 2021 FMA Annual Meeting will take place during Oct 20-23 in Denver (CO). Deadline: **Apr 9**. <https://www.fma.org/denver>
- The “Future of growth” RCEA Conference will take place online during May 20-21. Deadline: **Apr 14**. <http://rcea.org/wp-content/uploads/2021/02/Future-of-Growth-conference-CFP.pdf>
- The Oxford Saïd – Risk Center at ETH Zürich Macro-finance Conference will take place during Jul 9-10. Deadline: **Apr 15**. <https://www.ssrn.com/index.cfm/en/janda/announcement/?id=8321>
- The 2nd London Political Finance (POLFIN) Workshop will take place during Jun 24-25. Deadline: **Apr 18**. <https://www.systemicrisk.ac.uk/events/call-papers-2nd-london-political-finance-polfin-workshop>
- The Federal Reserve Conference on Diversity and Inclusion in Economics, Finance, and Central Banking will take place on Nov 9. Deadline: **Apr 30**. <https://www.federalreserve.gov/conferences/conference-on-diversity-and-inclusion-in-economics-finance-and-central-banking.htm>
- The 3rd Conference on Financial Stability of the Bank of Spain will take place in Madrid during Oct 18-19. Deadline: **Apr 30**. https://www.bde.es/f/webbde/INF/MenuHorizontal/SobreElBanco/Conferencias/2021/CALL_FOR_PAPERS_CFS_2021.pdf
- The 3rd Warsaw Money-Macro-Finance Conference will take place online during Jun 3-4. Deadline: **May 1**. <http://rcea.org/wp-content/uploads/2021/02/Warsaw-2021-CFP.pdf>
- The 4th Bank of Italy – CEPR Labour workshop will take place during Sep 9-10. Deadline: **May 14**. <https://portal.cepr.org/4th-bank-italy-cepr-labour-workshop>
- The 52nd Annual Conference of the Money, Macro and Finance Society will take place during Sep 1-3 in Cambridge. Deadline: **May 15**. <https://www.mmf.ac.uk/conference/2021-conference/>
- The 18th Corporate Finance Day will take place on Sep 24 at Erasmus University. Deadline: **May 28**. <https://www.rsm.nl/research/departments/finance/research/conferences/corporate-finance-day/>
- The ECB/CEBRA Conference “International aspects of digital currencies and fintech” will take place during Oct 19-20 in Frankfurt. Deadline: **May 30**. <https://aa7.df7.myftpupload.com/wp-content/uploads/2021/01/International-aspects-of-digital-currencies-and-fintech-Call-for-papers.pdf>
- The “Post BREXIT: Uncertainty, Risk Measurement and COVID-19 Challenges” conference will take place during Jun 22-23. Special issues in the *European Journal of Finance* and *Economic Modelling*. Deadline: **May 30**. <https://www.birmingham.ac.uk/schools/business/events/2021/post-brexit-uncertainty-risk-measurement-covid19-challenges.aspx>
- The Joint CEPR and Seventh Banco de España Economic History Seminar will take place on Oct 8. Papers on macroeconomic and financial history are welcome. Deadline: **Jun 1**. <https://mailchi.mp/cepr/joint-cepr-and-seventh-banco-de-espana-economic-history-seminar>
- The Bundesbank “Financial stability: systemic risk, macroprudential policy and stability analysis” Conference will take place during Jun 21-25 online. Deadline: **Jun 4**. <https://www.bundesbank.de/en/bundesbank/international-central-bank-dialogue/online-courses/financial-stability-systemic-risk-macroprudential-policy-and-stability-analysis-853910>
- The Community Banking in the 21st Century Research and Policy Conference 2021 will take place on Sept 28-29 or virtually. Deadline: **Jun 4**. <https://www.ssrn.com/index.cfm/en/janda/announcement/?id=8253>
- The 4th Conference on Financial Stability will take place during Nov 23-25 in Mexico City. Special issue in the *Journal of Financial Stability*. Deadline: **Jun 30**. <https://www.cemla.org/actividades/2021/conference-on-financial-stability-2021.html>

- The IMF's 22nd Jacques Polak Annual Research Conference (ARC): "Toward an Inclusive and Resilient Recovery" will take place during Nov 7-8. Deadline: **Jul 1**. <https://www.imf.org/en/News/Seminars/Conferences/2021/11/04/2021-Annual-Research-Conference>
- The CompNET "Finance and productivity during and after lockdown" Conference will take place during Dec 2-3 in Halle (Saale). Deadline: **Aug 15**. <https://www.ebrd.com/news/events/finance-and-productivity-during-and-after-lockdown.html#.YDINdyQUkYo.twitter>

JOURNAL SPECIAL ISSUES

- The *Review of Business* will publish a special issue on "Financial distress and bankruptcy". The best paper will receive \$1,000 prize. Deadline: **Mar 31**. <https://ifdre.org/call-for-papers>
- The *Review of Financial Economics* will publish a special issue on "The Impact of COVID-19 Pandemic on Islamic Financial Markets and Institutions". New deadline: **Apr 15**. <https://onlinelibrary.wiley.com/pb-assets/assets/18735924/RFE%20CFP%20-%20The%20Impact%20of%20COVID-19%20Pandemic%20on%20Islamic%20Financial%20Markets%20and%20Institutions-1597416603130.pdf>
- The *Journal of Banking & Finance* will publish a special issue titled "The impact of global pandemic on financial markets and institutions." Deadline: **May 31**. <https://www.journals.elsevier.com/journal-of-banking-and-finance/call-for-papers/special-issue-the-impact-of-global-pandemic>
- *The Journal of Risk and Financial Management* will publish a special issue on Economic Forecasting. Deadline: **Nov 30**. https://www.mdpi.com/journal/jrfm/special_issues/Economic_Forecasting
- The *Journal of Public Economics* created a new Short Paper submission option, see <https://www.journals.elsevier.com/journal-of-public-economics/news/journal-of-public-economics-to-create-a-new-short-paper-subm>
- Check out the new *Journal of Financial Crises* published by the Yale School of Management Program on Financial Stability: <https://elischolar.library.yale.edu/journal-of-financial-crises/about.html>

CONFERENCE PROGRAMS

- Schedule of the Conference on Financial Consequences of the COVID-19 Pandemic on <https://research.chicagobooth.edu/famamiller/financial-consequences-of-covid-19/schedule>
- Agenda, papers and videos of the LSE Systemic Risk Center "Financial cycles, risk, macroeconomic causes and consequences" Conference on <https://www.systemicrisk.ac.uk/events/financial-cycles-risk-macroeconomic-causes-and-consequences>
- Agenda and video stream of the SRC/LSE Conference "The financial markets' response to Covid-19 policy interventions" on <https://www.systemicrisk.ac.uk/events/financial-markets-response-covid-19-government-policy-initiative>
- CEBRA 2020 video sessions on <https://cebra.org/news/>
- 2021 VSB Mid-Atlantic Research Conference in Finance Program on <https://www1.villanova.edu/university/business/faculty-and-research/academic-departments/finance-real-estate/marc/program.html>
- Program of the 2021 Annual Columbia SIPA/BPI Bank Regulation Research Conference on https://columbiauniversity.zoom.us/webinar/register/WN_Lc8uwTuQKkMl_qeLj0Glg
- Program of the 2021 RCFS Winter Conference <http://sfs.org/wp-content/uploads/2021/02/2021-RCFS-Winter-Conference-Program-v021121.pdf>
- Program of the Second Big Data and Economic Forecasting workshop 2021 on <https://ec.europa.eu/irc/communities/en/community/big-data-and-forecasting-economic-developments/article/agenda-big-data-and-economic>
- Program of the Adam Smith (Online) Workshop Spring 2021 on <https://cepr.org/5780/programme>
- Agenda of the JF Conference on the Financial Consequences of the Covid-19 pandemic on <https://research.chicagobooth.edu/famamiller/financial-consequences-of-covid-19/schedule>
- Program and videos from the conference "Covid-19 pandemic in developing countries" on <https://www.imf.org/en/News/Seminars/Conferences/2020/11/30/covid19-pandemic-in-developing-countries>
- Program of the Western Economic Association, Virtual International Conference on <https://weai.org/files/view/131/Virtual-Prelim-Prog-2021.pdf>
- Program and video of the Structural Transformation and Economic Growth (STEG)/CEPR 2021 Annual Conference on <https://steg.cepr.org/events/annualconference2021>
- Video recordings of 2021 AEA/ASSA sessions on <https://vimeo.com/americaneconassociation/videos> and <https://www.aeaweb.org/conference/2021/aea-session-recordings>
- Program of the NBER Corporate Finance Program Meeting Spring 2021 on <https://www.nber.org/conferences/corporate-finance-program-meeting-spring-2021>
- Program and slides of the CBI workshop on Borrower finances, financial stability assessment, and macroprudential

policies on <https://www.centralbank.ie/docs/default-source/tns/events/210218-fsd-event-agenda.pdf?sfvrsn=4>

- Main and poster program as well as registration open now for the “Lenzerheide” Winter Conference on Financial Intermediation on <https://sites.google.com/site/swisswinterconferenceonfi/home>
- Program and registration link for the 73rd Economic Policy Panel on “The economics of Covid-19” on <https://www.economic-policy.org/>
- Program for ECB-RFS Macro-Finance Conference on <http://rfssfs.org/files/2021/03/ECB-RFS-Macro-Finance-Conference-Programme-final.pdf>
- Videos from the FRS 2021 Conference “Is macroprudential policy resilient to the pandemic?” on <https://financial-stability-review-2021.org/>
- Program of the NBER “Inequality, Discrimination and the Financial System” Spring 2021 meeting on <https://www.nber.org/conferences/inequality-discrimination-and-financial-system-spring-2021>
- Program of the Journal of Financial and Quantitative Analysis Symposium on Covid-19 and registration link on <https://www.ssrn.com/index.cfm/en/janda/announcement/?id=8446>

MEDIA, POLICY, NONTECHNICAL ARTICLES

- [Why banks could learn to love tougher regulations](#)
- [Another disinflationary force vanishes: The tightening of bank equity capital regulation](#)
- [Corporate bankruptcy and banking competition: the effect of financial leverage](#)
- [Do we know it all? What are the real costs and benefits of public banks?](#)
- [Corporate bankruptcy and banking competition: The effect of financial leverage](#)
- [Lend me a hand—bank market power and firm creation in innovative industries](#)
- [Where are the world’s dollar deposits coming from?](#)
- [Dollar funding of non-US banks through Covid-19](#)
- [How much capital should banks hold?](#)
- [Two proposals to resurrect the Banking Union: The Safe Portfolio Approach and SRB+](#)
- [Bankers who pioneered negative retail rates hit a milestone](#)
- [A fistful of dollars: Transmission of global funding shocks to emerging markets](#)
- [Negative interest rates: Taking stock of the experience so far](#)
- [Policy advice to Asia in the COVID-19 era](#)
- [Too-big-to-fail reforms and systemic risk](#)

ACADEMIC RESEARCH

- [Interconnectedness in the global financial market](#)
- [Systemic risk and monetary policy: The haircut gap channel of the lender of last resort](#)
- [Bank incentives and the impact of the Paycheck Protection Program](#)
- [A macroeconomic model with financially constrained producers and intermediaries](#)
- [Capital requirements, risk choice, and liquidity provision in a business cycle model](#)
- [The financial origins of the rise and fall of American inflation](#)
- [Forbearance patterns in the post-crisis period](#)
- [The partisanship of financial regulators](#)
- [How to use natural experiments to measure misallocation](#)
- [Do macroprudential policies affect nonbank financial intermediation?](#)
- [Interbank networks in the shadows of the Federal Reserve Act](#)
- [Direct and indirect effects of financial access on SMEs](#)
- [Corporate optimism and bank lending](#)
- [Move a little closer? Information sharing and the spatial clustering of bank branches](#)
- [On the interaction between monetary and macroprudential policies](#)
- [Credit spreads, financial crises, and macroprudential policies](#)
- [Fire-sale spillovers and systemic risk](#)
- [Capital flows at risk: Taming the ebbs and flows](#)
- [Surges and instability: The maturity shortening channel](#)
- [Local financial structure and economic resilience](#)
- [Cash holding and relationship lending](#)
- [Who pays the price? Overdraft fee ceilings and the unbanked](#)
- [Firms, failures and fluctuations: The macroeconomics of supply chain disruptions](#)
- [Credit horizons](#)
- [Who lends before banking crises? Evidence from the international syndicated loan market](#)
- [Investing in crises](#)
- [Downside and upside uncertainty shocks](#)
- [What drives specialization? A century of global export patterns](#)
- [Contingent contracts in banking: Insurance or risk magnification?](#)
- [Making room for the needy: The credit reallocation effects of the ECB’s corporate QE](#)

- [Tracing the international transmission of a crisis through multinational firms](#)
- [CECL and the credit cycle](#)
- [Banking barriers to the green economy](#)
- [Bank resolution regimes and systemic risk](#)
- [Monetary policy transmission, bank market power, and wholesale funding reliance](#)
- [Young firms and monetary policy transmission](#)

OTHER RESOURCES

- [The art and practice of economic research: Lessons from leading minds \(interview with Eric Maskin\), July 2010](#)
- [The art and practice of economic research: Lessons from leading minds \(interview with Monika Piazzesi\), August 2010](#)
- [How much should we trust staggered diff in diff estimates?](#)
- [FRB S&R Research Newsletter, Feb 2021](#)
- [IMF Research Perspectives, Vol 23, No. 2](#)
- [International Banking Library February 2021 newsletter](#)
- [Why is gender inequality so widespread? Interview with Marianne Bertrand](#)
- [For women in economics, the hostility is out in the open](#)
- [Network effects and research collaborations](#)
- [Graduate student mental health: Lessons from American Economics Departments](#)
- [How economists and noneconomists can get along \(Dani Rodrik\)](#)
- [Applied methods PhD course \(lecture videos\)](#)
- [Why Does the U.S. Have the Best Research Universities? Incentives, Resources, and Virtuous Circles](#)
- [Journal of Finance statistics for the past 12 months](#)
- [New journal alert: Review of Corporate Finance](#)

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- Include a recent paper, event, call for papers, etc. in the newsletter

Newsletter archive: <http://bankinglibrary.com/interconnectedness-newsletter/>