European University Institute

Robert Schuman Centre for advanced studies

Pierre Werner Chair Programme on Monetary Unions

Workshop

International Risk Sharing and Portfolio Diversification

Organized by
Giancarlo Corsetti, European University Institute
Cedric Tille, The Graduate Institute, Geneva, HEID
Alan Sutherland, University of Saint Andrews

Florence, 13 June 2008
Cappella, Villa Schifanoia

Programme

08:30-09:00 *Welcome coffee*

09:00-09:30 **I** ***Portfolio Dynamics in General Equilibrium***

Alan Sutherland, University of Saint Andrews
Valuation Effects and the Dynamics of Net External Assets

Discussants: **Anna Pavlova**, London Business School

09:30-11:00 **II** ***Portolio and Current Account Dynamics***

Robert Kollmann, ECARES
International Portfolios, Current Account Dynamics and Capital Accumulation

Jaume Ventura, CREI - Universitat Pompeu Fabra
A Portfolio View of Capital Flows: Facts and Hypotheses

Discussants: **Victoria Hnatkovska**, UBC
Giovanni Lombardo, ECB

11:00-11:30 *Coffee*

11:30-13:00 **III** ***Information and Deviations from Full Rationality***

Pierpaolo Benigno, LUISS
Portfolio Choices with Near Rational Agents: A Solution of Some International Finance Puzzles

Cédric Tille, HEID
An Asset Pricing Model of International Capital Flows

Discussant: **Roel Beetsma**, University of Amsterdam
Philippe Martin, Universite Paris 1 Pantheon

13:00-14:30 *Lunch*

Centre for Economic Policy Research

Robert Schuman Centre for Advanced Studies
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14:30-16:00 **IV *Policy***

Charles Engel, University of Wisconsin
Risk Sharing through Equities or Bonds

Frank Warnock, Darden Business School University of Virginia Charlottesville
On Cross-Border Returns Differentials

Discussants: **Gianluca Benigno**, London School of Economics
Philippe Bacchetta, Université de Lausanne

16:00-16:30 Coffee break

16:30-17:30 **Panel discussion**

Introduction: **Cedric Tille**, HEID

(Short) presentations:

Giancarlo Corsetti, European University Institute
How Much Risk Sharing Do Financial Markets Provide?

Sebnem Kalemli-Ozcan, University of Houston and ECB
International Financial Integration, Risk Sharing and Home Bias: What Have We Learned so Far from the Empirical Literature?

19:45 Dinner

Participants

Philippe Bacchetta (Universite de Lausanne)
Roel Beetsma (University of Amsterdam)
Gianluca Benigno (London School of Economics)
Pierpaolo Benigno(LUISS)
Giancarlo Corsetti (EUI)
Pietro Cova (Banca d'Italia)
Harris Dellas (University of Bern)
Bianca di Paoli (Bank of Engeland)
Charles Engel (University of Wisconsin)
Nikolay Gertchev (DG ECFIN)
Viktoria Hnatkovska (University of British Columbia)
Sebnem Kalemli-Ozcan (University of Houston and ECB)
Robert Kollmann (ECARES)
Julia Lendvai (DG ECFIN)
Anna Lipinska (Bank of England)
Giovanni Lombardo (ECB)
Alberto Martin (CREI-UPF)
Philippe Martin (Universite de Paris I)
Akito Matsumoto (IMF)
Anna Pavlova (LBS)
Massimiliano Pisani (Banca d'Italia)
Sergio Santoro (Banca d'Italia)
Alan Sutherland (Saint Andrews College)
Cedric Tille (HEID)
Jaume Ventura (CREI-UPF)
Frank Warnock (Darden Business School)