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 Skjøltdor 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**