Beliefs and Business Cycles

September 8–9, 2011

Sveriges Riksbank, Stockholm, Sweden

Wednesday, September 7

18:00-19:00 Welcome drink at Sveriges Riksbank

Thursday, September 8

9:00 Registration and coffee

Session I: Financial markets and information production

Chair: Ferre De Graeve

9:20 Opening address: Lars Svensson

9:30 **Incentives for information production in markets where prices affect real investment**
James Dow*, Itay Goldstein and Alexander Guembel
Discussant: Emilio Osambela

10:30 **Collateral crises**
Gary Gorton and Guillermo Ordonez*
Discussant: Tore Ellingsen

11:30 Coffee

12:00 **Rational attention allocation over the business cycle**
Marcin Kacperczyk, Stijn Van Nieuwerburgh and Laura Veldkamp*
Discussant: Per Strömberg

13:00 Lunch

Session II: Confronting models with survey and macro data

Chair: Andreas Westermark

14:15 **Information rigidity and the expectations formation process: A simple framework and new facts**
Olivier Coibion* and Yuriy Gorodnichenko
Discussant: Philippe Andrade

15:15 **Confidence and the transmission of government spending shocks**

Rüdiger Bachmann* and Eric Sims
Discussant: Luca Sala

16:15 Coffee

16:30 **News, noise and fluctuations**
Olivier Blanchard, Jean-Paul L'Huillier and Guido Lorenzoni*
Discussant: Raf Wouters

17:30 Adjourn

18:30 Dinner at Sjöfartshuset

Friday, September 9

8:45 Coffee

Session III: Beliefs and monetary policy

Chair: Virginia Queijo von Heideken

9:00 **Exogenous information, endogenous information and optimal monetary policy**
Luigi Paciello and Mirko Wiederholt*
Discussant: Filip Matejka

10:00 **The consequences of differing beliefs about monetary policy**
Christopher Sims*
Discussant: Christian Hellwig

11:00 Coffee

Session IV: Beliefs as sources of fluctuations

Chair: Per Krusell

11:30 **Man-bites-dog driven business cycles**
Kristoffer Nimark*
Discussant: Tobias Broer

12:30 **Decentralization, communication, and the origins of fluctuations**
George-Marios Angeletos* and Jennifer La'O
Discussant: John Hassler

13:30 Lunch and Adjourn

Time allocation

Presentation: 30 minutes
Discussant: 15 minutes
Open discussion: 15 minutes

Organizing committee

Ferre De Graeve, Sveriges Riksbank
Daria Finocchiaro, Sveriges Riksbank
Martin Flodén, Stockholm University
Per Krusell, IIES, Stockholm University
Virginia Queijo von Heideken, Sveriges Riksbank
Andreas Westermark, Sveriges Riksbank

Local organization

Lena Löfgren, Sveriges Riksbank