



ASIAN BUREAU OF FINANCE
AND ECONOMIC RESEARCH

ANNUAL REPORT

2013-2017

ASIAN BUREAU OF FINANCE AND
ECONOMIC RESEARCH

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MESSAGE FROM PRESIDENT OF THE EXECUTIVE COMMITTEE

2013 and beyond

Welcome to ABFER's (Asian Bureau of Finance and Economic Research) first annual report. ABFER was initiated in 2012, when a group of like-minded academics from Asia, North America, and Europe met in Singapore to discuss ways to promote high impact financial and economic research in Asia-Pacific.

Modelled after National Bureau of Economic Research (NBER) in North America and the Centre for Economic Policy Research (CEPR) in Europe, ABFER is an officially registered independent society in Singapore (February 2014), with the following objectives:

- To promote Asia-Pacific oriented financial and economic research at local, regional and international levels;
- To connect globally prominent academic researchers, practitioners and public policy decision-makers on Asia-Pacific related financial and economic issues;
- To enhance the research capabilities and development of strong clusters of finance and economic research groups in academic institutions and other institutions in Singapore and Asia-Pacific.

With initial partial financial support from the Monetary Authority of Singapore (MAS) and the National University of Singapore (NUS), ABFER was launched in May 2013 with an inaugural Annual Conference opened by MAS Managing Director, Mr Ravi Menon.

ABFER has a strong network of internationally renowned academics as members or Senior Fellows. Its management is vested in the Executive Committee (EXCO) comprising of leading academics from top universities around the world. The advisory council includes a Nobel Laureate, as well as prominent industry leaders and policy makers.

The Bureau organises a series of high level events: Annual Conferences, Industry Outreach Seminars, and

Specialty Conferences to nurture the development of Asian-based research. It also co-organised the highly successful Asian Monetary Policy Forums (AMPF) with the University of Chicago Booth School of Business, MAS and NUS Business School. This forum brings together an exclusive group of central bankers, policy makers, academics and private sector leaders to share perspectives on pressing monetary policy issues in Asia.

To increase our impact, ABFER embarked on a series of strategic initiatives, e.g., a "Junior Consortium" and Master Classes to develop research capabilities in Asian educational institutions. We also formed valuable partnerships with institutions and academic societies.

While only five years old, ABFER has made significant contributions: its AMPF is a widely watched event, its academic conferences feature important research relevant to Asia-Pacific, many of which have now appeared in top journals, and its main Annual Conference is now the "place to be in" for academics in finance and economics. We are grateful for the support and encouragement from leading academics, industry practitioners, and policy makers from government organisations and central banks. We look forward to your continual support and see you at our events.

Bernard Yeung

President of the Executive Committee, ABFER
Dean and Stephen Riady Distinguished Professor,
NUS Business School

COUNCIL MEMBERS



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EXECUTIVE COMMITTEE



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01. Tan Chorh Chuan (Chairman)

President
National University of Singapore

02. Alan Bollard

Executive Director
The APEC Secretariat, Singapore

03. Sir Howard Davies

Chairman
Royal Bank of Scotland

04. Robert Merton

Distinguished Professor of Finance
Massachusetts Institute of Technology

05. Edward Robinson

Assistant Managing Director (Economic Policy) & Chief
Economist
Monetary Authority of Singapore

06. Masaaki Shirakawa

Professor of International Economics
Aoyama Gakuin University

07. Duvvuri Subbarao

Distinguished Visiting Fellow, The Institute of South
Asian Studies (ISAS)
National University of Singapore

08. Teo Swee Lian

Non-Executive and Independent Director
Singtel

09. Bernard Yeung (President)

Dean and Stephen Riady Distinguished Professor in Finance and
Strategic Management
National University of Singapore

10. Ilian Mihov (Vice President)

Dean of INSEAD, Professor of Economics and The Rausing
Chaired Professor of Economic and Business Transformation
INSEAD

11. Randall Morck (Vice President)

Stephen A. Jarislowsky Distinguished Chair in Finance
University of Alberta
National University of Singapore

12. Kang Jun-Koo (Secretary)

Canon Professor and Distinguished Professor of Finance
Nanyang Technological University

13. Renée Adams

AGSM Scholar, Professor of Finance, Commonwealth Bank Chair
in Finance
University of New South Wales

14. Ekkehart Boehmer

Professor of Finance
Singapore Management University

15. Steven Davis

William H. Abbott Professor of International Business and
Economics
University of Chicago

16. Deng Yongheng

Provost's Chair, Professor of Real Estate and Finance
National University of Singapore

17. Takeo Hoshi

Henri H. and Tomoye Takahashi Senior Fellow in Japanese Studies
at the Freeman Spogli Institute for International Studies
Stanford University

18. Massimo Massa

Roitchild Chaired Professor of Banking Professor of Finance
INSEAD

19. Andrew K. Rose

B.T. Rocca Professor Economic Analysis & Policy
University of California, Berkeley

20. Allaudeen Hameed

Provost's Chair
Professor in the Department of Finance
National University of Singapore

SENIOR FELLOWS



01 . Renée Adams

AGSM Scholar, Professor of Finance, Commonwealth Bank Chair in Finance
University of New South Wales

02 . Franklin Allen

Nippon Life Professor Emeritus of Finance
University of Pennsylvania

03 . Sumit Agarwal

William G. Droms Term Professor of Finance
Georgetown University

04 . Jennifer Carpenter

Associate Professor of Finance
New York University

05 . Tarun Chordia

R. Howard Dobbs Professor of Finance
Emory University

06 . Sudipto Dasgupta

Associate Professor of Finance
Hong Kong University of Science and Technology

07 . Steven Davis

William H. Abbott Professor of International Business and Economics
University of Chicago

08 . Yongheng Deng

Provost's Chair, Professor of Real Estate and Finance
National University of Singapore

09 . Beatrice Weder di Mauro

Distinguished Fellow, Emerging Markets Institute
INSEAD

10 . Darrell Duffie

Dean Witter Distinguished Professor of Finance
Stanford University

11 . Mara Faccio

Hanna Chair in Entrepreneurship & Professor of Finance
Purdue University

12 . Antonio Fatas

Portuguese Council Chaired Professor of European Studies
Professor of Economics
INSEAD

13 . William Goetzmann

Edwin J. Beinecke Professor of Finance and Management Studies
Yale University

14 . Bruce Grundy

Professor of Finance
University of Melbourne

15 . Stephen Haber

A.A. and Jeanne Welch Milligan Professor,
Senior Fellow at the Hoover Institution,
Professor of Political Science, History & Economics (by courtesy)
Stanford University

16 . Allaudeen Hameed

Provost's Chair
Professor in the Department of Finance
National University of Singapore

17 . Gilles Hilary

Houston Term Professor
Georgetown University

18 . David A. Hirshleifer

Merage Chair in Business Growth,
Professor of Finance, Professor of Economics
University of California, Irvine

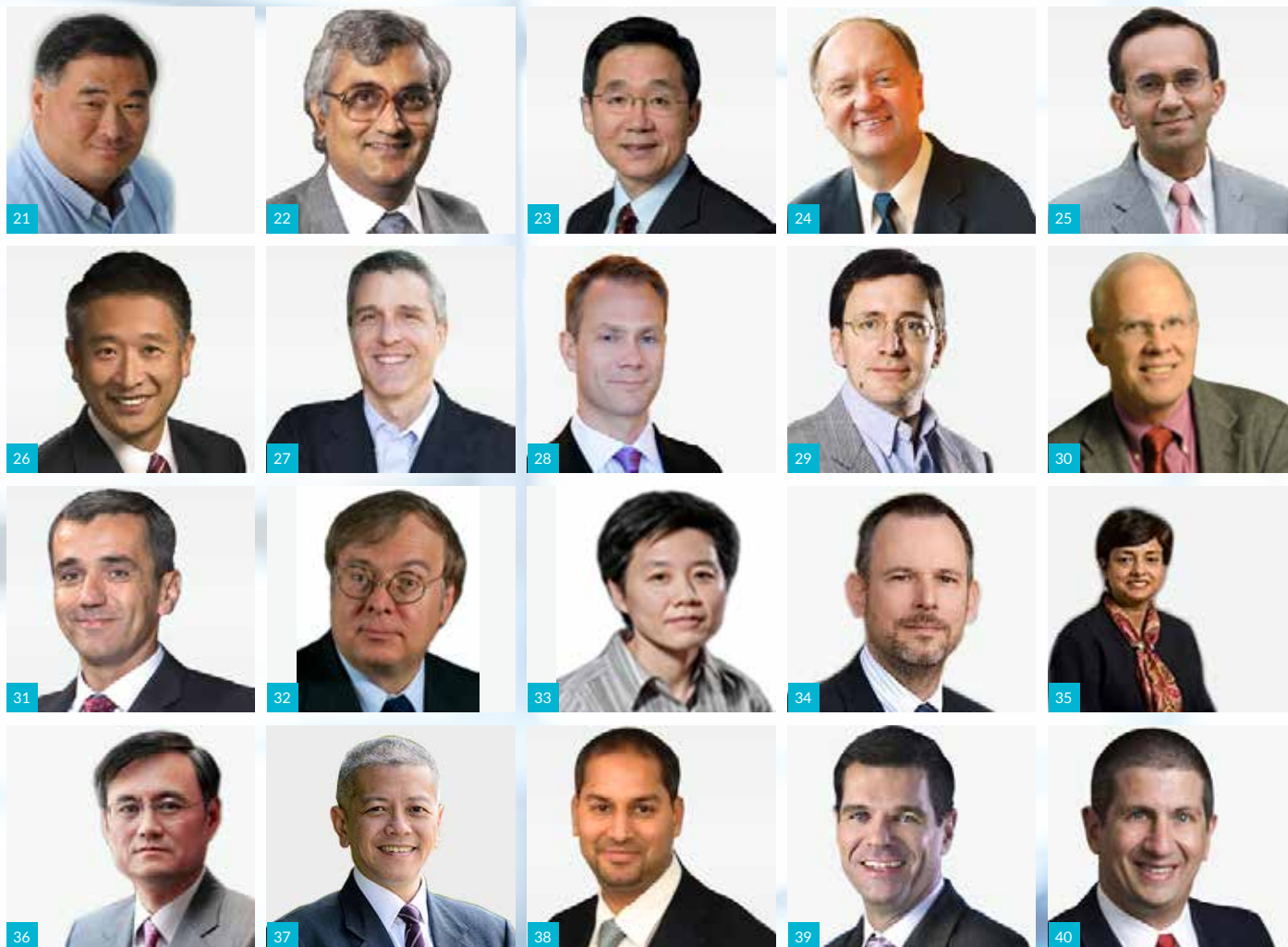
19 . Harrison Hong

Professor of Economics
Columbia University

20 . Takeo Hoshi

Henri H. and Tomoye Takahashi Senior Fellow in Japanese Studies
at the Freeman Spogli Institute for International Studies
Stanford University

SENIOR FELLOWS



21 . Chang-Tai Hsieh

Phyllis and Irwin Winkelried Professor of Economics and PCL Faculty Scholar
University of Chicago

22 . Ravi Jagannathan

Chicago Mercantile Exchange/John F. Sandner Professor of Finance
Northwestern University

23 . Jun-Koo Kang

Canon Professor and Distinguished Professor of Finance,
Nanyang Technological University

24 . Andrew Karolyi

Associate Dean for Academic Affairs
Harold Bierman, Jr. Distinguished Professor of Management
Professor of Finance
Cornell University

25 . Tarun Khanna

Jorge Paulo Lemann Professor
Harvard University

26 . Charles Lee

The Moghadam Family Professor & Professor of Accounting
Stanford University

27 . Ross Levine

Professor, Willis H. Booth Chair in Banking and Finance
University of California, Berkeley

28 . Alexander Ljungqvist

Ira Rennett Chair in Finance and Entrepreneurship
New York University

29 . Massimo Massa

Rothschild Chaired Professor of Banking Professor of Finance
INSEAD

30 . Ronald Masulis

AGSM Scholar, Scientia Professor Macquarie Group Chair of Financial Services
University of New South Wales

31 . Ilian Mihov

Dean of INSEAD, Professor of Economics and The Rausing Chaired Professor of Economic and Business Transformation
INSEAD Singapore

32 . Randall Morck

Stephen A. Jarislowsky Distinguished Chair in Finance
University of Alberta

33 . Jun Pan

School of Management Distinguished Professor of Finance
Massachusetts Institute of Technology

34 . Joseph Piotroski

Professor of Accounting
Stanford University

35 . Manju Puri

J. B. Fuqua Professor
Duke University

36 . Yingyi Qian

Dean and Professor, School of Economics and Management
Tsinghua University

37 . Danny Quah

Vice Dean (Academic Affairs) and Li Ka Shing Professor in Economics
National University of Singapore

38 . Tarun Ramdorai

Professor of Financial Economics
Imperial College London

39 . David Mitchell Reeb

Mr. and Mrs. Lin Jo Yan Professorship of Banking and Finance
National University of Singapore

40 . Andrew K. Rose

B.T. Rocca Professor Economic Analysis & Policy
University of California, Berkeley

SENIOR FELLOWS



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FELLOWS



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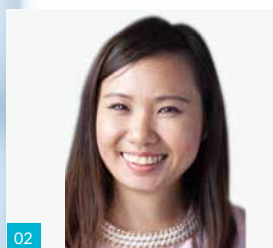


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SECRETARIAT



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03



04

41 . Amit Seru

The Steven and Roberta Denning Professor of Finance
Stanford University

42 . Douglas J. Skinner

Deputy Dean for Faculty and Eric J. Gleacher Distinguished
Service Professor of Accounting
University of Chicago

43 . Laura Starks

Associate Dean for Research
Charles E. and Sarah M. Seay Regents Chair in Finance
University of Texas at Austin

44 . René Stulz

Professor of Finance
Everett D. Reese Chair of Banking and Monetary Economics
Ohio State University

45 . Sheridan Titman

Director, Energy Management and Innovation Center
University of Texas at Austin

46 . Ping Wang

Seigle Family Professor
Washington University in St. Louis

47 . Shang-Jin Wei

Professor of Finance and Economics
Professor of International Affairs,
N.T. Wang Professor of Chinese Business and Economy
Columbia University

48 . Jeffrey Wurgler

Nomura Professor of Finance
New York University

49 . Wei Xiong

Trumbull-Adams Professor of Finance & Professor of
Economics
Princeton University

50 . Bernard Yeung

Dean and Stephen Riady Distinguished Professor in Finance
and Strategic Management
National University of Singapore

51 . Luigi Zingales

Robert C. McCormack Distinguished Service Professor of
Entrepreneurship and Finance Charles M. Harper Faculty
Fellow
University of Chicago

01 . Davin Chor

Associate Professor of Economics
National University of Singapore

02 . Pushan Dutt

Professor of Economics and Political Science and Shell
Fellow of Economic Transformation
INSEAD

03 . Roger Loh

Associate Professor of Finance
Singapore Management University

04 . Wenlan Qian

Associate Professor of Finance
National University of Singapore

05 . Michael Song

Professor, Department of Economics
Chinese University of Hong Kong

06 . Giorgio Valente

Senior Economist
Hong Kong Monetary Authority

01 . Low Bee Wah

Senior Manager
Asian Bureau of Finance and Economic Research

02 . Tan Chiew Lay

Senior Executive
Asian Bureau of Finance and Economic Research

03 . Chua Swee Lian

Senior Executive
Asian Bureau of Finance and Economic Research

04 . Sui Wee Chong

Consultant
Asian Bureau of Finance and Economic Research

EVENTS

ABFER ANNUAL CONFERENCE



Every year, ABFER organizes a conference where prominent academia from all over the world gather in Singapore to discuss research questions and outputs relevant to Asia. The ultimate objective is to develop high intellectual intensity for local academics and raise the standards and reputation of Asia-related research, particularly by academics in Singapore and the region.

ABFER has made significant advancement since its formation. Our events featured internationally renowned academics, including Nobel laureates. These events hope to draw researchers' attention to important research and policy issues relevant to Asia.

Looking ahead, ABFER will continue expand with new initiatives. In addition to academic conferences, industry panel, round tables and the Asian Monetary Policy Forum, ABFER intend to add specialty conference and working paper series. We are well-positioned to capitalize on our current achievements and further increase the value to all our stakeholders.



More information on ABFER Annual Conference details can be found on our website.

Conference Programs include:

- International Macroeconomics, Money & Banking Sessions
- Corporate Finance
- Investment Finance
- Economic Transformation of Asia
- Accounting
- Real Estate and Urban Economics

Who will attend?

- Global distinguished academics
- Governors and senior management from central banks
- Chief economists from prominent financial sectors and policymakers
- C-level executives and industry leaders
- Decision makers from public sectors, enterprises and SMEs

** Members include leading academics from top universities in North America, Europe, and Asia-Pacific.*

ACADEMIC WORKSHOP



Photos of Academic Workshop from 2013-2017

ABFER has organized five Academic Workshops from 2013-2017. The objective of these workshops is to gather global distinguished academics to enhance the research capabilities and develop strong clusters of finance and economic research groups in academic institutions and other institutions in Singapore and Asia-Pacific. Over the past five years, the academic workshop had attracted more than 1,300 authors, discussants and researchers from various countries to Singapore.

The Academic Workshop started with three programs in 2013, focusing on International Macroeconomics, Corporate Finance and Investment Finance. In 2015, ABFER expanded the workshop by adding two new programs which covers issues on Accounting and Economic Transformation of Asia. In the recent two years, ABFER had collaborated with Central Bank Research Association (CEBRA) and Centre for Advanced Financial Research and Learning (CAFRAL) for some of our sessions. This collaboration provide opportunities for the participants to network with them, thus allowing a more enriching interaction.

Out of 893 papers submitted to ABFER in the first four years (2013-2016), 222 papers were selected for presentation in the academic workshop. 28% of the presented papers were included in significant journals. This already exceeds the 10% rule in significant journals and we expect the appearance rate to go further up. The top journal appearances include Quarterly Journal of Economics, American Economic Review, Management Science, Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Accounting Review, and American Economic Journal: Economic Policy.

WORKING PAPERS



Papers presented during the Annual Conferences, Asian Monetary Policy Forums, Industry Outreach events and Specialty Conferences are archived in ABFER's website.

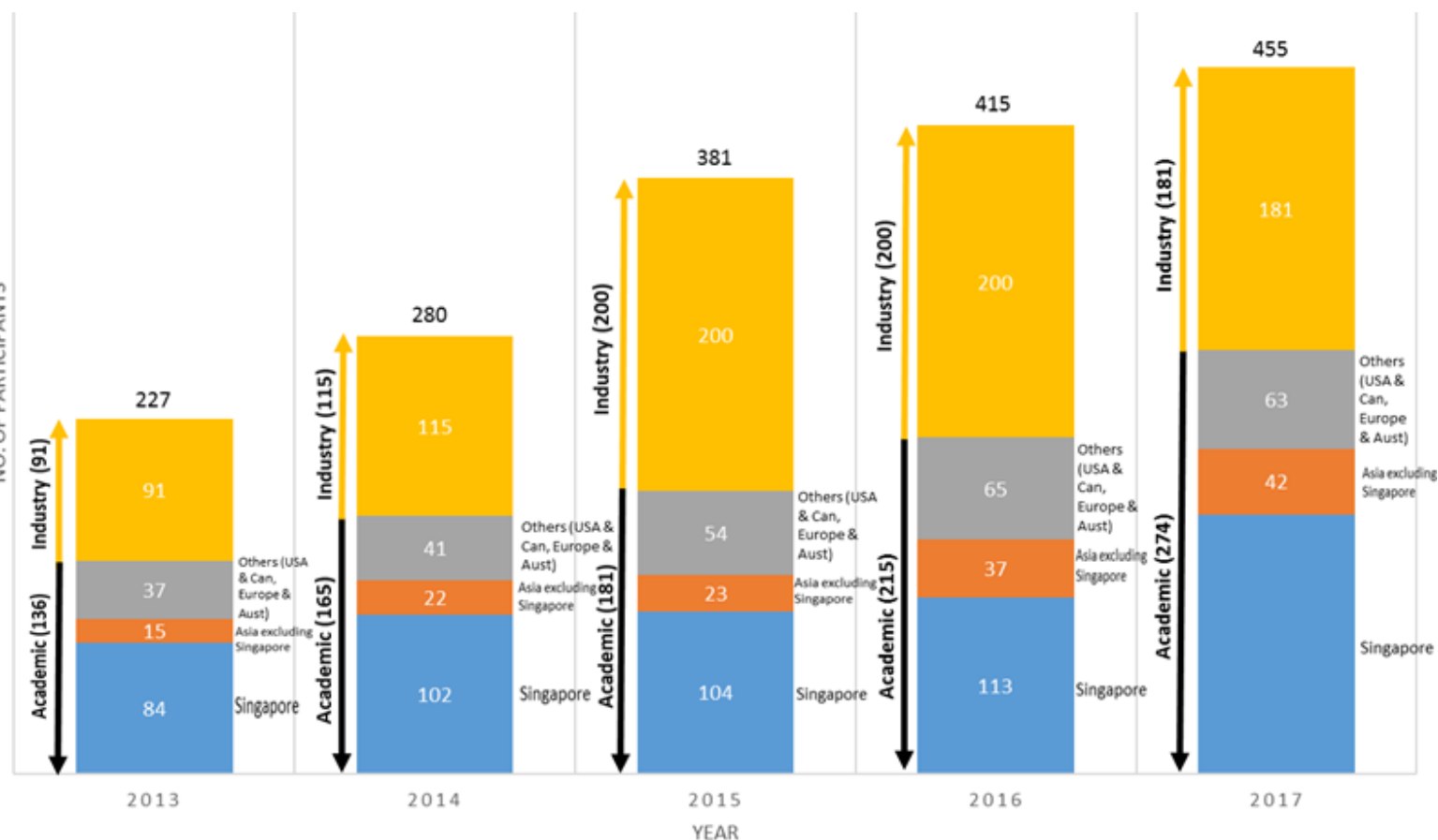
The purpose of our Working Papers is to circulate new research ideas and promote research results among academics, researchers and economists. This series consist of policy and research results that tackle economic issues faced by countries across the world. In this series, it reaches out to a range of researchers across the world with the aim of stimulating more comments and suggestions on the paper. Other than acting as a depository, it also helps researchers in their citation while writing their papers.

 Click [here](#) to view ABFER Working Papers.

Excellent Performance over the years

- Participants from both Academic and Industry increased significantly from 2013 to 2017. In total, participant rate has almost doubled from 227 in 2013 to 455 in 2017.
- There were 256 papers submitted for the 2017 conference (representing 686 authors from all over the world).
- Out of 167 papers presented from the past four years, 28% or 46 papers are already included in significant journals (29 in print and 17 forthcoming). Significant journals include: Quarterly Journal of Economics, American Economic Review, Management Science, Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Accounting Review, and American Economic Journal: Economic Policy.
- ABFER conferences featured Nobel laureates, prominent speakers from different government departments, global distinguished academics, high-level executives and industry leaders.

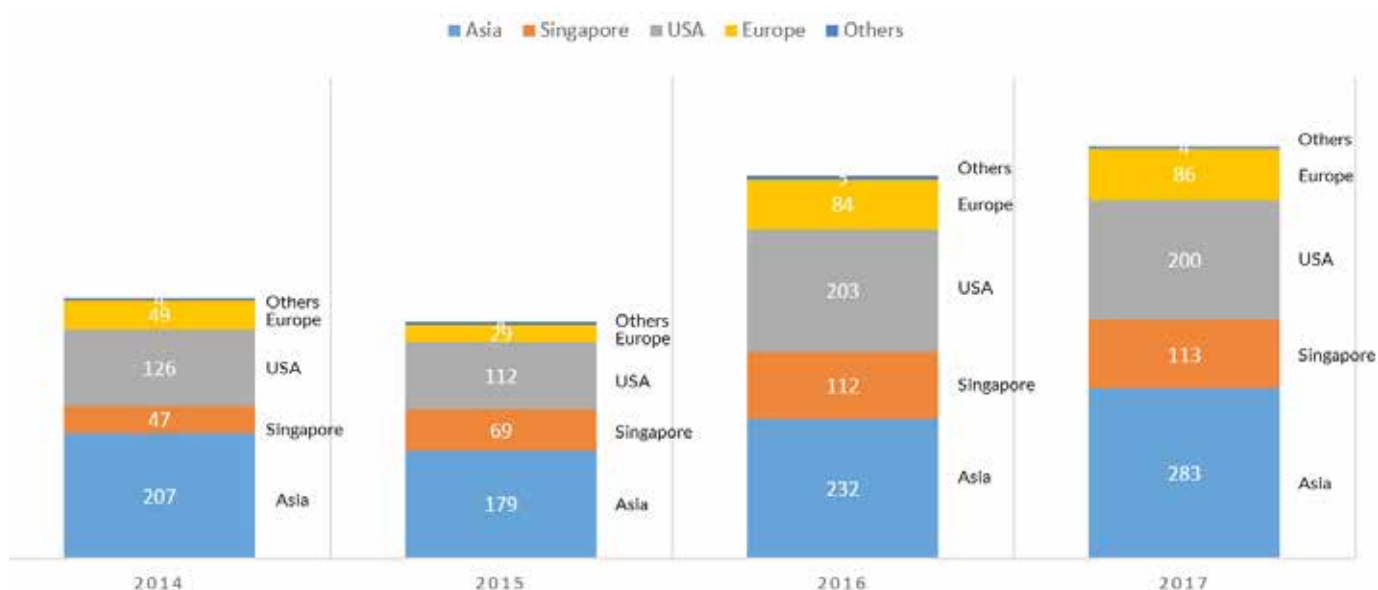
1. PARTICIPATION RATE (2013 - 2017)



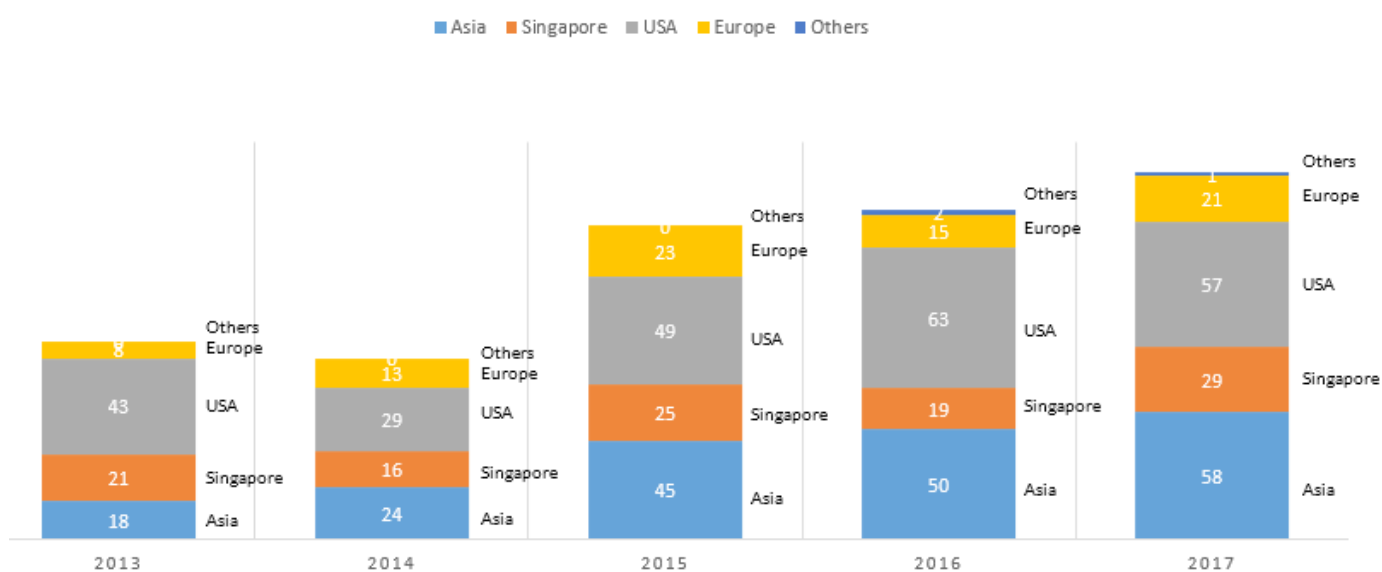
2.

AUTHORS PARTICIPATION BY REGION

Papers Submitted



Papers Accepted

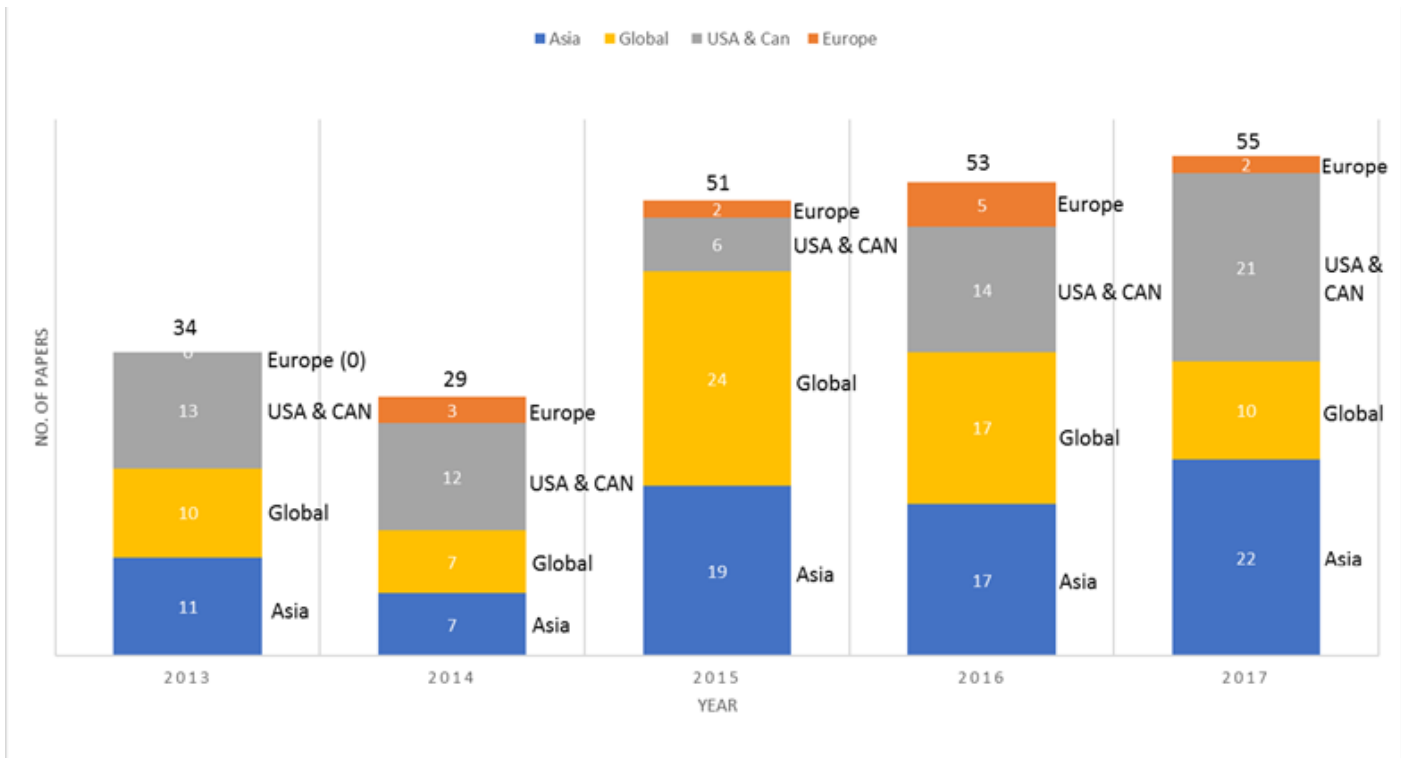


Legend

Asia	Australia, NZ, Bangladesh, China, Hong Kong, India, Japan, Korea, Taiwan, Vietnam, Philippines, Indonesia and Malaysia.
Europe	Bulgaria, France, Germany, Denmark, Norway, Sweden, Netherlands, Finland, Switzerland, Italy and Ireland.
North American	USA, Canada, California
Others	Israel, Cyprus and Chile.

3.

OF PAPERS PRESENTED (2013-2017)



4.

WORKING PAPERS THAT WERE PUBLISHED IN SIGNIFICANT JOURNALS

Out of 167 papers presented over the last four years (2013-2016), 28% or 46 papers are included in significant journals (29 in print and 17 forthcoming). Out of these 46, **16 are Singapore or Asia related topics**. (We count only the top journals here.)

- (a) This exceeded the 10% rule in significant journals and we expect the appearance rate to go further up.
- (b) Highlight of top journal appearances: Quarterly Journal of Economics, American Economic Review, Management Science, Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Accounting Review, and American Economic Journal: Economic Policy.

INDUSTRY PANEL & ROUNDTABLE



ABFER incorporates two Industry Panel & Roundtable during the annual conference. The first industry panel & roundtable is held on the first evening of the ABFER Annual Conference, followed by a Welcome Dinner. The second industry panel & roundtable, coupled with a keynote speech, takes place during the evening of the ABFER & AMPF Joint Dinner.

In this panel, high-level executives, industry leaders, prominent academics and decision makers from the public sectors shares their views on a current issue. The objective of this session is to provide a platform for leading industry experts to give their perspectives on economic related issues and discuss what further research are needed to better equip our practitioners and public policy decision-makers. The industry panel & roundtable covers issues such as financial crisis, government rules and regulation, global financial system and investment.

Senior Fellow Professor Steven Davis and Professor Renée Adams organized two events which were the 'Junior and Senior Breakfast' and 'Career 101 Advice'. The 'Junior and Senior Breakfast', was held in the morning (25 May) before the start of the academic programs. The seniors were grouped by topic and juniors could sign up to have breakfast with the seniors in their field. The second event 'Career 101 Advice' on May 26 was a panel discussion, started out with the panellists presenting, subsequently followed by a Q&A with the audience on navigating the refereeing and editing process. The panellists featured members of our Senior Fellows - Takeo Hoshi, Andrew K. Rose and Sheridan Titman.



'Junior and Senior Breakfast'



Participants at the Mentor Programme

1. Economic Impact of Fin-Tech

The surge in information processing capabilities led to disruptive developments in the industry. Innovations changed business models, expanded intermediation opportunities and improved financial inclusion. They also blurred the boundaries of the financial industry, challenged regulations on financial stability and the metric for price stability, and made the world invest heavily in cyber security. Our esteemed panelists discussed these changes and their economic impacts.



Left to Right: Professor Bernard Yeung (Moderator), Mr Piyush Gupta, Mr Eric Jing, Mr Nick Nash, Mr Sopnendu Mohanty.

2. The Inactivity in Active: A Worrisome Sign of the Times?

There was a robust discussion ongoing among academics and investors around the need for cost management in investing, providing appropriate solutions for retirement finance and the general underperformance of active managers. This had led to the bulk of “smart capital” flowing to passive strategies. At the same time a subset of believers in the industry, argued that the absence of active investing can lead to the suboptimal allocation of capital, the lack of liquidity in capital markets, and more disquietingly, a reliance on passive investing can lead to the magnification of correlation shocks in periods of market stress. This resulted in a discussion of related topics such as Environmental, Social and Governance (ESG) investing in Asia, “Fintech” disruptions to the investment industry’s business model, and the manner in which institutions, investors and academics should respond. ABFER brought together a panel of academic and investment experts to shed light on the issues and challenges - and address pertinent questions in the industry today.



Left to Right: Professor Charles Lee, Mr Percy Wong, Mr Hugh Young, Ms Arisa Kishigami, Professor Joseph Cherian (Moderator)

KEYNOTE SPEECH

Central Bank Interventions

“ In his keynote speech, Professor Raghuram explained why advanced countries’ central banks had embarked on unconventional monetary policies, what the effects have been and what the consequences of exit might be. Finally, he addressed the issue of whether central banks had become politically vulnerable as a result of their existing mandate, and whether there was a need for some international “rules of the game” to limit undue monetary policy spillovers.

SPEAKER'S PROFILE



Professor Raghuram G. Rajan

Katherine Dusak Miller
Distinguished Service Professor
of Finance, The University
of Chicago Booth School of
Business

Raghuram Rajan is the Katherine Dusak Miller Distinguished Service Professor of Finance at the Booth School of Business at the University of Chicago. He was the Governor of the Reserve Bank of India between 2013 and 2016, and also served as Vice-Chairman of the Board of the Bank for International Settlements between 2015 and 2016. Dr. Rajan was the Chief Economist and Director of Research at the International Monetary Fund from 2003 to 2006.

Dr. Rajan's research interests are in banking, corporate finance, and economic development, especially the role finance plays in it. He co-authored *Saving Capitalism from the Capitalists* with Luigi Zingales in 2003. He then wrote *Fault Lines: How Hidden Fractures Still Threaten the World Economy*, for which he was awarded the Financial Times-Goldman Sachs prize for best business book in 2010.

Dr. Rajan was the President of the American Finance Association in 2011 and is a member of the American Academy of Arts and Sciences and the Group of Thirty. In 2003, the American Finance Association awarded Dr. Rajan the inaugural Fischer Black Prize for the best finance researcher under the age of 40. The other awards he has received include the Deutsche Bank Prize for Financial Economics in 2013, Euromoney magazine's Central Banker of the Year Award 2014 and The Banker magazine's Global Central Banker of the Year award in 2016.

Moderator:

Professor Steven J. Davis

William H. Abbott Professor of International Business and Economics, The University of Chicago
Booth School of Business

1. Growth in the Face of Headwinds: What to Do?

Population aging, the end of transformative innovations, and environmental pressures are among the headwinds that, according to many, will sharply curtailed the possibilities for future growth and development. This session discussed how strong these headwinds are, what we could do with them and find out if the world's economies could grow strong despite the headwinds.



Professor Edward Lazear (Left) , Professor Bernard Yeung (Right)

Panelists and Chair:



Bernard Yeung (President)

Dean and Stephen Riady Distinguished Professor in Finance and Strategic Management
National University of Singapore
President, Asian Bureau of Finance and Economic Research (ABFER)



Steven Davis

William H. Abbott Professor of International Business and Economics
The University of Chicago Booth School of Business



Hoon Hian Teck

Professor of Economics and Associate Dean (Faculty, Research)
Singapore Management University



Alan Krueger

Bendheim Professor of Economics and Public Affairs
Princeton University



Edward Lazear

Jack Steele Parker Professor of Human Resources Management and Economics
Stanford University

Currently, policymakers around the world are concerned about a slowdown in China and other developed countries that might have ripple effects throughout the world. Central banks have taken a number of measures to offset the risks, but not all are coordinated. The changing political structure in the United States further complicated all of these developments because of the presidential election. This talk addressed measures that could be taken to ensure that the world economy continue its growth.

SPEAKER'S PROFILE



Professor Edward Lazear

Jack Steele Parker Professor of Human Resources Management and Economics, Stanford University

Professor Edward P. Lazear, the Morris A. and Nona Jean Cox Senior Fellow at the Hoover Institution since 1985, is also the Jack Steele Parker Professor of Human Resources Management and Economics at Stanford University's Graduate School of Business, where he has taught since 1992. Professor Lazear taught previously at the University of Chicago's Economics Department and Graduate School of Business, where he was the Brown Professor of Urban and Labor Economics.

Founding Editor of the Journal of Labor Economics, Lazear is a Fellow of the American Academy of Arts and Sciences, the American Association for the Advancement of Sciences, the Econometric Society, and the Society of Labor Economists of which he was president. Lazear is a Visiting Distinguished Fellow of the Becker Friedman Institute at the University of Chicago and is heads the economics initiative at the George W. Bush Institute. He is also a Research Associate of the National Bureau of Economic Research, where he co-chairs the program in personnel economics.

Professor Lazear has written extensively on labor markets and personnel issues; microeconomic theory; issues involving worker compensation and effects on productivity; entrepreneurship; governmental policies on discrimination, affirmative action, and comparable worth; educational policy; unemployment; culture, language, and diversity issues; the doctrine of employment at will; distribution of income within the household; pricing and marketing policies; and other issues involving labor markets and the macroeconomy. He has over 100 published academic articles, he is a frequent contributor to the popular press, and has written or edited twelve books.



Professor Lazear's book *Personnel Economics* (MIT Press, 1995) expands on his 1993 Wicksell Lectures. In 1998, he received the Melamed Prize, which cited this book as the best research by a business school professor anywhere in the world during the previous two years. He received the Distinguished Teaching Award from Stanford University's Graduate School of Business as well as the PhD Faculty Distinguished Service Award.

Lazear won the IZA Prize in Labor Economics, which is given to the person viewed to have made the most significant contributions to labor economics in the world. This was primarily for his work in personnel economics. In June 2006, Lazear was awarded the Jacob Mincer Prize given by the Society of Labor Economics for lifetime contributions to the field. He holds four honorary doctorates.

In addition to his former duties in Washington, Professor Lazear has been an advisor to the governments of Czechoslovakia, Romania, Russia, Ukraine, and Georgia.

Born in 1948, Professor Lazear grew up in Los Altos, California. He received his AB and AM degrees from the University of California at Los Angeles, and his PhD from Harvard University.

2. Long-term Investing with the Ebb and Flow of Low Returns

The ebb and flow of asset values post the GFC has been staggering. Long-term investing and asset allocation have become a challenge as interest rates in many geographies reached zero and the signs ahead were uncertain at best. The global energy and commodities markets were faced with grim prospects, the global currency imbalances have added to the shaky equilibrium, and government, corporate and private debt levels were surging.

- What lies ahead in the middle- to longer-term investment horizon?
- Does the current market malaise open up new opportunities, particularly in the infrastructure funding and investments space?
- What are the prospects for capital markets? When will stability and liquidity return to the financial markets?

A panel of top investment experts from across the various asset classes and regions addressed these questions, and shed some light on the path, headwinds and the prospects ahead, along with a multi-business cycle discussion on investments, asset allocation, long term capital (including infrastructure), bonds, and liquidity from the perspective of institutional investors.



Left to Right: Professor Joseph Cherian, Mr Atsushi Yoshikawa, Professor Bernard Yeung, Professor Darrell Duffie, Dr Prakash Kannan, Mr Teo Eng Cheong, Mr Huang Jing

3. Fissures in the Global Financial System

This talk discussed fissures in the existing global financial system against a backdrop of adverse demographic trends, signs of slowing productivity, rising populism in many advanced countries, a tapering off of the Chinese debt supercycle, and re-emergence of fissures in the European Union. Structural problems in the global financial system include an excessive reliance on debt finance, the outsized role of the US dollar and US Federal Reserve Policy, and the zero bound on global interest rates. Professor Kenneth identified the vulnerabilities and risks in the current system and the measures taken to reduce them.



Professor Tan Chorh Chuan (Left) , Professor Kenneth Rogoff (Right)

SPEAKER'S PROFILE



Professor Kenneth Rogoff

Professor of Economics and
Thomas D. Cabot Professor
of Public Policy, Harvard
University

Professor Kenneth Rogoff is Thomas D. Cabot Professor at Harvard University. From 2001-2003, Rogoff served as Chief Economist at the International Monetary Fund. His 2009 book with Carmen Reinhart, *This Time is Different: Eight Centuries of Financial Folly* has been very widely cited by academics, policymakers and journalists. One regularity that Reinhart and Rogoff illustrate is the remarkable quantitative similarities across time and countries in the run-up and the aftermath of severe financial crises. In general, they show that for financial crises, the differences between emerging markets and advanced countries are far less pronounced than previously believed. Rogoff is also known for his seminal work on exchange rates and on central bank independence. His treatise *Foundations of International Macroeconomics* (joint with Maurice Obstfeld) is the standard graduate text in the field worldwide. His monthly syndicated column on global economic issues is published in over 50 countries. He serves on the Economic Advisory Panel of the New York Federal Reserve. He is a member of the Council on Foreign Relations.

Rogoff is an elected member of the National Academy of Sciences, the American Academy of Arts and Sciences, and the Group of Thirty. Rogoff is among the top eight on RePec's ranking of economists by scholarly citations. He is also an international grandmaster of chess.

Moderator:

Professor Steven J. Davis

William H. Abbott Professor of International Business and Economics, University of Chicago Booth School of Business

1. Human Capital Development in the Workplace and during the Working Years

Over the last 30 years, there had been a revolution in the workplace. Firms have put in place high performance work practices. This was evident in all sectors. In manufacturing, for example, workers at all levels were engaging in higher levels of problem solving. To achieve these high performance work practices, firms were hiring more carefully, encouraging more teamwork, sharing more information, and implementing more incentive pay.

However, workers must undergo training to complement these changes. Thus, firms have been increasing the amount of training they provide to workers. This upward trend in training was also evident in retail trade and in high technology industries. In retail, large firms run corporate “universities” to train employees. In high-tech companies, firms devote considerable resources to hiring the right people: they used referral networks and passive recruiting to find the perfect person for each job. These individuals must then be trained extensively – both in the technology of the firm, and in the knowledge of the firm’s products and markets.

Firms and workers were making investments in two types of human capital: in general human capital that is transferable to other firms; and in firm-specific human capital that is only useful with the current firm. In addition to firm investments, we saw evidence that workers were investing in developing their own individual skills. The massive online course system had attracted the attention of workers who want new skills that they can use as they move from one employer to the next. Because of these investments (from the firm and by the individual), workers have careers in which wages rise with age.

In the software industry, wage increase arises because of the increase in tenure and learning on the job. It was also partly due to workers hopping from one to job to the next. We found that the majority of wage increase for workers over their careers came from investing in skills with their current employer, not from hopping between employers. We concluded that in today’s marketplace, firms that invested more in human capital were achieving a strategic competitive advantage.

Panelists and Moderator:



Indranee Thurai Rajah

Senior Minister of State for Law and Education



Kathryn Shaw

Ernest C. Arbuckle Professor of Economics
Stanford University



Piyush Gupta

Chief Executive Officer and Director of DBS Group, DBS Bank



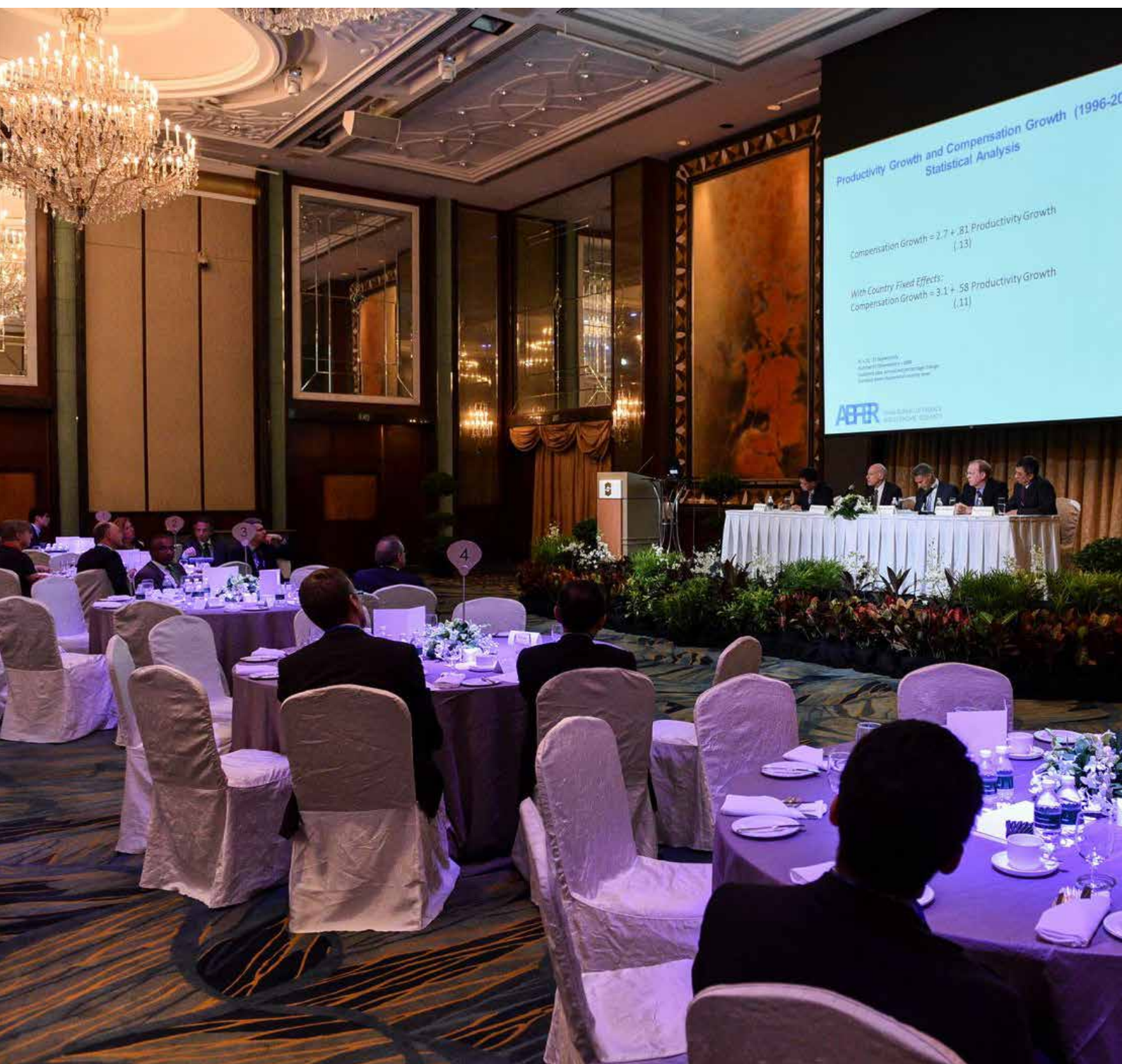
Steven Davis (Roundtable Chair)

William H. Abbott Professor of International Business and Economics, The University of Chicago Booth School of Business

2.

Lessons from Serving as the President's Chief Economist

Alan Krueger served as chairman of President Barack Obama's Council of Economic Advisers from 2011 to 2013, and was a member of the President's cabinet. He also served as Assistant Secretary for Economic Policy and Chief Economist of the U.S. Treasury in 2009 and 2010. This lecture summarized ten practical lessons that Professor Krueger drew from his public service during the financial crisis and current economic recovery. He also discussed some of the substantive economic issues that he was involved with and the role that economics research played in policymaking.



SPEAKER'S PROFILE



**Professor
Alan B. Krueger**

Bendheim Professor of
Economics and Public Affairs,
Princeton University

Professor Alan Krueger has published widely on the economics of education, terrorism, unemployment, labor demand, income distribution, social insurance, labor market regulation and environmental economics. Since 1987 he has held a joint appointment in the Economics Department and Woodrow Wilson School at Princeton University. He is the founding Director of the Princeton University Survey Research Center.

Alan Krueger served as chairman of President Barack Obama's Council of Economic Advisers from 2011 to 2013, and was a member of the President's cabinet. He also served as Assistant Secretary for Economic Policy and Chief Economist of the U.S. Treasury in 2009 and 2010. This lecture will summarize ten practical lessons that Professor Krueger drew from his public service during the financial crisis and current economic recovery. He will also discuss some of the substantive economic issues that he was involved with and the role that economics research played in policy making.

He is the author of "What Makes A Terrorist: Economics and the Roots of Terrorism and Education Matters: A Selection of Essays on Education", co-author of "Myth and Measurement: The New Economics of the Minimum Wage", and co-author of "Inequality in America: What Role for Human Capital Policies?" He has been a member of the Board of Directors of the Russell Sage Foundation, MacArthur Foundation, and the American Institutes for Research, as well as a member of the editorial board of *Science* (2001-2009), editor of the *Journal of Economic Perspectives* (1996-2002) and co-editor of the *Journal of the European Economic Association* (2003-2005).

He has been a member of the Executive Committee of the American Economic Association (2005-2007) and International Economic Association, and Chief Economist for the National Council on Economic Education (2003-2009).

Professor Krueger was named a Sloan Fellow in Economics in 1992 and an NBER Olin Fellow in 1989-1990. He was elected a Fellow of the Econometric Society in 1996, and a fellow of the Society of Labor Economists in 2005. He was awarded the Kershaw Prize by the Association for Public Policy and Management in 1997 (for distinguished contributions to public policy analysis by someone under the age of 40) and the Mahalanobis Memorial Medal by the Indian Econometric Society in 2001. In 2002 Professor Krueger was elected a fellow of the American Academy of Arts & Sciences, and in 2003 he was elected a fellow of the American Academy of Political and Social Science. He was awarded the IZA Prize in Labor Economics with David Card in 2006. From 2000 to 2006 he was a regular contributor to the "Economic Scene" column in the *New York Times*.

3. Towards a Sustainable Prosperity in Asia - the Investment Challenges Ahead

The ABFER/CAMRI roundtable examined the challenges ahead for Asian economies and the investment and financial systems in an increasingly deflationary landscape. It has been a challenge to seek out opportunities for investments in China, the rest of North Asia, India and South East Asia, especially in this low risk-adjusted return environment. Meanwhile, the world was awaiting the US Federal Reserve's next move, as the economies of Europe and Asia were in various throes of a tail-spin. Despite central banks' efforts to bring down interest rates in the Asia-Pacific, the collective economies were anemic.

Under this challenging investment environment, what investment and economic strategies should investment managers adopt? What are the regulatory challenges facing central banks in Asia as viewed through the eyes of an investment manager? How do we think central banks should coordinate policies? These were pertinent issues facing investment managers in particular and investors in general. The Roundtable panel discussion addressed these imperatives in a special lively session involving the top asset managers, asset owners, as well as regulatory and financial experts in Asia within a Singapore perspective.

Panelists and Moderator:



Danny Yong

Chief Investment
Officer & Founding
Partner
Dymon Asia Capital



Lee Kher Sheng

General Counsel
Azentus Capital
Management



**Rohit
Sipahimalani**

Co-Head,
Investment Group,
Head, Portfolio
Strategy and Head,
India Temasek
International



**Joud Abdel
Majeid**

Senior Vice
President, Chief
of Strategy and
Head of Business
Intelligence
E*TRADE Financial
University



Alexa Lam J. P

(Former) Deputy Chief
Executive Officer
Executive Director -
Investment Products,
International & China
Securities and Futures
Commission, Hong
Kong



**Joseph Cherian
(Moderator)**

Director of the Centre
for Asset Management
Research &
Investments (CAMRI)
National University of
Singapore

4. The Global Economy Seven Years After Financial Crisis: Vulnerabilities and Policy Issues

Following the global financial crisis of 2008, most advanced economies went into a protracted economic slump, coupled with rising unemployment, a historic private debt overhang, and rapidly mounting public debts. Meanwhile, helped by rapid growth in China, buoyant commodity prices, and extremely low and stable international interest rates, most emerging markets flourished, attracting sizable capital inflows and recording healthy levels of growth. Seven years after the most significant global turmoil since the 1930s, many advanced economies in Europe have barely begun to recover and deflationary challenges have emerged, further complicating the process of private and public deleveraging. The favorable global environment had taken a turn for the worse, as commodity prices have declined and the strengthening US dollar had raised debt servicing burdens for many emerging markets. This talk placed the current global situation in a broad historical context, discussing the main policy challenges faced by both advanced and emerging economies and distilling historical lessons on what the end game might bring.



Professor Carmen M. Reinhart (Left), Professor Tan Chorh Chuan (Right)

SPEAKER'S PROFILE



Professor Carmen M. Reinhart

Minos A. Zombanakis Professor
of the International Financial
System, John F. Kennedy
School of Government Harvard
University

Carmen M. Reinhart is the Minos A. Zombanakis Professor of the International Financial System at Harvard Kennedy School. Previously, she was the Dennis Weatherstone Senior Fellow at the Peterson Institute for International Economics and Professor of Economics and Director of the Center for International Economics at the University of Maryland. Professor Reinhart held positions as Chief Economist and Vice President at the investment bank Bear Stearns in the 1980s. She spent several years at the International Monetary Fund. Reinhart is a Research Associate at the National Bureau of Economic Research, and a member of the Congressional Budget Office Panel of Economic Advisers and the Economic Advisory Panel of the Federal Reserve Bank of New York. She has been listed among Bloomberg Markets Most Influential 50 in Finance.

Reinhart has written on a variety of topics in macroeconomics and international finance. She has served on numerous editorial boards and has testified before congress. Her work has helped to inform the understanding of financial crises for over a decade. Her best-selling book (with Kenneth S. Rogoff) entitled *This Time is Different: Eight Centuries of Financial Folly* documents the striking similarities of the recurring booms and busts that have characterized financial history and has been translated to over 20 languages and won the 2010 Paul A. Samuelson TIAA-CREF Institute Award, among others.

Moderator:

Professor Andrew K. Rose

Berkeley B.T. Rocca Professor, Economic Analysis & Policy Associate Dean and Faculty Chair,
University of California, Berkeley

1. The Use of Research in Risk Management: Perspectives from Industry Practitioners

Risk management is a common thread that runs through much of modern finance. In recent years, the practice of risk management in financial institutions had also assumed central importance, driven by both regulations as well as enlightened self-interest. This Roundtable brought together seasoned professionals in banking, insurance and investment management to share their perspectives on how focused research can yield practical solutions to the myriad risk management problems they faced in their daily work, ranging from risk control, through capital allocation and asset/liability management, to risk budgeting. By focusing on practical issues of current concern, the Roundtable provided conference participants with research ideas that helped foster closer collaboration between financial industry practitioners and academics with significant economic and social impact.

Panelists and Moderator:



Elbert Pattijn

Chief Risk Officer
DBS Bank



Paul Bernard

Managing Director
TTS Advisors Pte Ltd



Kate Chiew

Chief Risk Officer
NTUC Income Insurance Co-Operative
Limited



Sung Cheng Chih (Moderator)

Investment Advisor to the Singapore
Ministry of Finance, Special Advisor to
the Monetary Authority of Singapore, and
Consultant to GIC



2. The Why, What and How of Long-term Investing

“ In this session, we invited Dr Sung to provide his insights on why long term investment is favourable in the long run and the factors impeding long term investment. Moreover, the strategies of long-term investment was discussed in depth, demonstrated by three models - Traditional Asset Allocation model, Factor Allocation model and Opportunity Cost model. The speech concluded with some important pointers that investors should be cautious of in order to have a successful long-term investment.

SPEAKER'S PROFILE



Dr Sung Cheng Chih

Investment Advisor to the Singapore Ministry of Finance, Special Advisor to the Monetary Authority of Singapore, and Consultant to GIC

Dr Sung is currently Investment Advisor to the Singapore Ministry of Finance, Special Advisor to the Monetary Authority of Singapore, Consultant to GIC, and member of the Expert Panel to the Norwegian Ministry of Finance. Prior to his retirement in mid-2011, he was Managing Director and Chief Risk Officer in GIC.

Dr Sung joined GIC as a fixed income portfolio manager in 1993. After taking on various investment and corporate management roles, he assumed responsibility for firm-wide risk management in 2002. Apart from building up GIC's risk management functions, Dr. Sung also played a key role in enhancing GIC's capabilities in asset allocation, currency management, portfolio rebalancing, performance measurement and attribution, and treasury management over many years.

Since his retirement from GIC, Dr Sung took up multiple advisory and board positions at home and abroad. In addition to his affiliations with the Singapore and Norwegian governments, Mr Sung is serving on the boards of the Markit Group, the MIT Investment Management Company, NTUC Income Insurance Co-operative, the Risk Management Institute of the National University of Singapore, and the Wealth Management Institute in Singapore. He also acted as advisor to the International Monetary Fund, the Singapore Exchange, the Singapore University of Technology and Design, and the Singapore Ministry of Home Affairs

3.

Investments in Asia Forum: Has Asia Reached its Full Potential?

Asia has long been a favourable investment destination for institutional investors. Investment hubs like Singapore, Hong Kong and Tokyo have served as centres of financial excellence for fund managers, hedge funds, private equity and venture capitalists. However new regulations and impediments from the West, with various colorful acronyms, have made it more difficult to be a successful asset owner and asset manager in Asia.

To discuss this new era in investing, ABFER had gathered a world-class group of investment managers in Asia from across the asset class spectrum to discuss the trends, encumbrances and the rash of new OECD regulations on funds affecting Asian managers. The forum explored the applied research partnerships between academia and the financial industry amongst other pertinent issues.

The Forum was a follow-on to the highly successful Investments in Asia Forum supported by ABFER, which was held in 2013.

Panelists and Moderator:**Timothy Zee**

Managing Director
PAG Asia Capital

**Michael Syn**

Senior Vice
President and Head
of Derivatives
Singapore Exchange

**Charles M. C. Lee**

Joseph McDonald
Professor of
Accounting
Stanford University

**Liew Tzu Mi**

Managing Director,
Head of Global
Macro and Deputy
Head of Fixed
Income GIC

**Madhabi Puri
Buch**

Director
Agora Partners

**Joseph Cherian
(Moderator)**

Director of the Centre
for Asset Management
Research &
Investments (CAMRI)
National University of
Singapore



4.

What we are learning about Sustainable and Defective Growth Patterns: Experience in Developed and Developing countries**SPEAKER'S PROFILE****Professor Michael Spence**

William R. Berkley Professor
in Economics & Business, New
York University Consultant to
GIC

Nobel Laureate A. Michael Spence joined New York University Leonard N. Stern School of Business as a professor of economics in September 2010. He is a senior fellow at the Hoover Institution and the Philip H. Knight Professor Emeritus of Management in the Graduate School of Business at Stanford University.

Professor Spence, whose scholarship focuses on economic policy in emerging markets, the economics of information, and the impact of leadership on economic growth, was chairman of the independent Commission on Growth and Development (2006 - 2010), a global policy group focused on strategies for producing rapid and sustainable economic growth, and reducing poverty. He also serves as a senior adviser at Jasper Ridge Partners in California, and as a member of the board of the Stanford Management Company as well as a number of public and private companies. He is the Chairman of the Academic Council of the Fung Global Institute in Hong Kong.

A Rhodes Scholar and the recipient of many honors and awards, Professor Spence was awarded the Nobel Memorial Prize in Economic Sciences in 2001 and the John Bates Clark Medal from the American Economics Association in 1981. He is the author of three books and 50 articles, and is a member of the American Economic Association and a fellow of the American Academy of Arts and Sciences and the Econometric Society.

Professor Spence served as Philip H. Knight Professor and dean of the Stanford Business School from 1990 to 1999. Before that, he was a professor of economics and business administration at Harvard University, chairman of its economics department, and dean of its Faculty of Arts and Sciences.

1. Governance and Regulations: A New Financial Economic Order for Asia?

After a series of crises originating from the US and the Eurozone, global finance has entered a new and uncertain phase. Investors have become more conservative, financial institutions were retreating from global markets, deleveraging in the private sector was almost the norm and traditional sources of funds like deposits have become more important.

The governance and regulatory landscape in the financial sectors has also changed much; e.g. the Basel III and macro-prudential regulations as well as the development of OTC derivatives clearance markets in multiple locations. At the same time, China, as the new economic powerhouse, was developing its own regulations, exerting its influence on Asian economies and beyond. Globally, rising regulatory constraints and uncertainties distort incentives and hamper financing and financial development.

These developments have implications in Asia: variegated global development and the extraterritorial influences of governance and regulatory changes have created turbulence in cross border capital flows, helping or retarding capital market development and the efficacy of Asia's capital allocation and growth.

For this session, we invited leading industry experts to give their perspectives on these changes, their impact on Asia, and what further research would be needed to better equip our practitioners and public policy decision-makers.

Panelists and Moderator:



Piyush Gupta

Chief Executive
Officer DBS Group
Holdings & DBS
Bank



Andrew Sheng

President
Fung Global Institute



Jaspal Bindra

Group Executive
Director & Chief
Executive Officer
Asia Standard
Chartered PLC



Teh Kok Peng

Adviser and
Chairman of China
Business Group
Government
of Singapore
Investment
Corporation Pte Ltd



Randall Morck

Stephen A
Jarislowsky
Distinguished Chair
in Finance
University of Alberta



**Bernard Yeung
(Moderator)**

Dean and Stephen
Riady Distinguished
Professor
National University
of Singapore

2. Investing In Asia: Research & Practice

The Investments Roundtable featured prominent business leaders of traditional and alternative investment management firms in Asia covering investment themes, challenges and opportunities associated with their line of business.

Spanning from a range of important research and policy issues relevant to Asia, the roundtable consisted of discussion on issues such as understanding and predicting markets in the liquid and illiquid space, investment regulations and policies, and portfolio risk management.

In the process, the panelists ventured into unexplored areas of research in the financial investments arena, including the significance of existing academic research to investment practice.




Left to Right: Professor Joseph Cherian, Mr Manraj S. Sekhon, Mr Danny Yong, Mr Kalpesh Kikani, Mr Liew Mun Leong, Professor Bernard Yeung, Professor Charles Lee

ACADEMIC LUNCHEON KEYNOTE SPEECH

Each year, ABFER invites eminent speakers or key players in policymaking roles to provide an academic keynote speech. The objective of the Academic Keynote is to draw researchers' attention to important research and policy issues relevant to Asia. Participants from the 4-day academic workshop will also have the opportunity to engage themselves in insightful discussion.

2017

Spillovers or Scapegoats? Why Small Countries Should Not Fear Center-Country Monetary and Financial Policy

 In his speech, Professor Andrew K. Rose discussed on recent research that analyzes the impact of monetary and financial in center countries (like the United States) for small and emerging economies. He discussed on beggar-thy-neighbor “currency wars” associated with unconventional monetary policy like quantitative easing and negative nominal interest rates, as well as the impact of the “global financial cycle” on capital flows and credit creation. The talk was moderated by Professor Bernard Yeung.

SPEAKER'S PROFILE



**Professor
Andrew K. Rose**

B.T. Rocca Professor Economic
Analysis & Policy, University of
California, Berkeley

Andrew K. Rose is the B.T. Rocca Jr. Professor of International Business in the Economic Analysis and Policy Group, Haas School of Business at the University of California, Berkeley. He is also a Research Associate of the National Bureau of Economic Research (based in Cambridge, MA), a Research Fellow of the Centre for Economic Policy Research (based in London, England), and a Senior Fellow of the Asian Bureau of Finance and Economic Research (based in Singapore). He received his Ph.D. from the Massachusetts Institute of Technology, his M.Phil. from Nuffield College, University of Oxford, and his B.A. from Trinity College, University of Toronto.

Rose has published over one hundred and fifty papers and over ninety articles in refereed economics journals, including the American Economic Review, the Quarterly Journal of Economics, the Review of Economic Studies, and the Journal of Finance. His research addresses issues in international trade, finance, and macroeconomics, and has received more than 40,000 citations. His teaching is in the areas of international macroeconomics; he has won two teaching awards.



Rose served as Associate Dean for Academic Affairs and Chair of the Faculty 2010-2016, and was the managing editor of The Journal of International Economics 1995-2001. He and the founding director of the Clausen Center for International Business and Policy at Haas and the Risk Management Institute at the National University of Singapore. He has organized over 50 academic conferences.

Rose is interested in the theory and practice of economic policy, and most of his work is applied and driven by “real world” international phenomena. A citizen of three countries, he has worked on six continents and at a number of international economic agencies, including: the International Monetary Fund, the World Bank, and the Asian Development Bank. He has also worked at a number of national agencies, including: the US Department of Treasury, HM Treasury (UK), the Canadian Department of Finance; and the central banks of: Australia, Canada, England, Europe, Hong Kong, Israel, Italy, Japan, Netherlands, New Zealand, Singapore, Spain, and the United States. He has visited a number of other universities, including Cape Town, EUI, FUB, INSEAD, London School of Economics, Melbourne, NUS, Princeton, SHUFE, SMU, Stockholm, Tel Aviv, Tsinghua, ULB, and Victoria.


Moderator:

Professor Bernard Yeung

Dean and Stephen Riady Distinguished Professor in Finance and Strategic Management, National University of Singapore

2017

Sexy or Safe: Why do Predicted Stock Issuers Earn Low Returns?

 In his keynote speech, Professor Charles Lee provided new insights on the economic mechanism behind HILP (high-profit low profit) anomaly. Results of his research showed that top-PSI firms are cash-strapped and dependent on external financing, have lottery-like payoffs, high volatility, high Beta, and high shorting costs. Over the next two years, top-PSIs earn return-on-assets of -30% per year, report disappointing earnings, and experience strongly-negative analyst forecast revisions. They earn especially low returns in down markets and are nine times more likely to delist for performance reasons. He concluded that HILP firms earn low returns not because they are safer, but because they are more salient (i.e., sexier) to investors and are thus overpriced. This speech is moderated by Professor Bernard Yeung.

SPEAKER'S PROFILE



**Professor
Charles Lee**

Moghadam Family Professor
& Professor of Accounting,
Stanford University

Charles M. C. Lee is the Moghadam Family Professor of Management and Professor of Accounting at the Graduate School of Business (GSB), Stanford University. He is also Co-Founder of Nipun Capital, a San Francisco based asset management firm focused on Asian equities.

Professor Lee studies the effect of human cognitive constraints on market participants and factors that impact market pricing efficiency. He has published extensively on topics that span behavioral finance, financial analysis, market microstructure, equity valuation, quantitative investing, and security market regulation. From 2004 to July 2008, he was Managing Director at Barclays Global Investors (BGI; now Blackrock), where he served as Global Head of Equity Research and Co-Head of North America Active Equities.

Professor Lee has received numerous honors and awards for his research and teaching. He has also served as either Editor or Associate Editor of a number of academic journals, including: the Journal of Finance, The Accounting Review, the Journal of Accounting Research, the Journal of Accounting and Economics, the Review of Accounting Studies, Management Science (Finance), and the Financial Analysts Journal.

Moderator:

Professor Bernard Yeung

Dean and Stephen Riady Distinguished Professor in Finance and Strategic Management, National University of Singapore

What is Happening to Bond Market Liquidity?

“ Almost every day we read of another salvo of arguments in the debate over whether bond market liquidity has been harmed by new banking regulations. Based on bid-ask spreads and most other standard liquidity metrics, bond markets appear to be about as liquid as they have been for a long time. Liquidity is worse, however, for larger-sized trades. If necessary to achieve financial stability, this is a cost well worth bearing.

The amount of liquidity offered to bond markets by large banks is markedly reduced. Large banks are stocking much smaller market-making inventories of bonds. Balance sheet space is treated like expensive real estate, available only to positions that can afford to pay rental fees that are now much higher. In the case of repurchase agreements, known as repos, access to bank balance-sheet space has been sharply increased by regulation. The three-month U.S. treasury-secured repo rates paid by non-bank dealers are now even higher than three-month unsecured borrowing rates paid by banks, a significant market distortion. Trade volume in the bank-to-non-bank dealer market for U.S. government securities repo is less than half of 2012 levels. European repo market liquidity has also deteriorated.

Repo market efficiency is an important ingredient in the general liquidity of developed bond markets. Professor Darrell suggested some policy changes in this area, and discussed the implications of other ongoing changes in bond market structure, such as the changing roles of high-frequency trading and electronic trade platforms.

SPEAKER'S PROFILE



**Professor
Darrell Duffie**

Dean Witter Distinguished
Professor of Finance, Stanford
University

Professor Darrell Duffie is the Dean Witter Distinguished Professor of Finance at Stanford University's Graduate School of Business. He is a Fellow and member of the Council of the Econometric Society, a Research Fellow of the National Bureau of Economic Research, a Fellow of the American Academy of Arts and Sciences, and a member of the board of directors of Moody's Corporation since 2008.

Duffie was the 2009 president of the American Finance Association. He currently chairs the Market Participants Group, charged by the Financial Stability Board with recommending reforms to Libor, Euribor, and other interest rate benchmarks. Duffie's recent books include *How Big Banks Fail* (Princeton University Press, 2010), *Measuring Corporate Default Risk* (Oxford University Press, 2011), and *Dark Markets* (Princeton University Press, 2012).

Moderator:

Professor Allaudeen Hameed

Provost's Chair and Professor in the Department of Finance, National University of Singapore

2016

Hayek versus Keynes in the 21st Century

“ In his keynote address, Professor Randall Morck highlighted the perspectives Hayek and Keynes had shared on topics such as the social purpose of finance and capital allocation. He discussed what modern finance had to say about it and the possible implications for modern Asia.

SPEAKER'S PROFILE



Professor Randall Morck

Stephen A. Jarislowsky
Distinguished Chair in Finance,
University of Alberta

Professor Randall Morck holds the Stephen A. Jarislowsky Distinguished Chair in Finance at the Alberta School of Business at the University of Alberta, and is a Research Associate with the National Bureau of Economic Research in Cambridge, Massachusetts. He graduated summa cum laude from Yale in 1979, and earned a PhD from Harvard in 1986, where he returns periodically as a visiting professor.

Professor Morck has published over 70 articles on corporate governance, corporate ownership, and corporate finance in academic journals such as the American Economic Review, Journal of Finance, and Journal of Financial Economics. His research papers include some of the first systematic investigations of corporate governance, and are cited in more than 1,500 other research papers. Professor Morck has served as a consultant to the Canadian and U.S. governments, the World Bank, and the International Monetary Fund on corporate governance and other economic issues. He is a frequent speaker at academic, business, and government seminars and conferences in Canada and abroad.

In 2006, Professor Morck was granted the prestigious title of University Professor at the University of Alberta (the highest academic honour the University of Alberta can bestow on a faculty member).

Moderator:

Professor Bernard Yeung

Dean and Stephen Riady Distinguished Professor in Finance and Strategic Management, National University of Singapore

Risk Management, the Global Financial Crisis and Regulatory Reform: Lessons for Asia and Research Agenda

“ In this keynote address, Professor René M. Stulz looked back with the benefit of the research conducted by financial economists over the last eight years to assess the understanding about the role of governance, incentives, regulation, and risk management in the collapse of financial institutions in the West. Since the GFC, which started out eight years ago, there have been important changes in the regulation of financial institutions. He then assessed whether those changes have helped make the financial system safer, whether those changes are sustainable, and to which extent they have problematic side-effects. He argued that the regulatory changes in the West should not be emulated by Asia and that regulators should focus on making the financial system a stable engine for growth rather than micro-managing trading activities that were not a cause of the financial crisis. He also concluded with lessons for future research.

SPEAKER'S PROFILE



**Professor
René M. Stulz**

Everett D. Reese Chair
of Banking and Monetary
Economics, The Ohio State
University

René M. Stulz is the Everett D. Reese Chair of Banking and Monetary Economics and the Director of the Dice Center for Research in Financial Economics at The Ohio State University. He has also taught at the Massachusetts Institute of Technology, the University of Chicago, and the University of Rochester. He received his Ph.D. from the Massachusetts Institute of Technology. He was awarded a Marvin Bower Fellowship from the Harvard Business School, a Doctorat Honoris Causa from the University of Neuchâtel, and the Risk Manager Award of the Global Association of Risk Professionals. In 2004, the magazine *Treasury and Risk Management* named him one of the 100 most influential people in finance. A recent study found that he was the sixth most often cited contributor to the top journals in financial economics from 2003 to 2008. He is a past president of the American Finance Association and of the Western Finance Association, and a fellow of the American Finance Association, of the Financial Management Association, and of the European Corporate Governance Institute.



René M. Stulz was the editor of the *Journal of Finance*, the leading academic publication in the field of finance, for twelve years. He is on the editorial board of more than ten academic and practitioner journals. Further, he is a member of the Asset Pricing and Corporate Finance Programs and the director of the Risk of Financial Institutions Group of the National Bureau of Economic Research. He is also a member of the Squam Lake Group.

He has published more than sixty papers in finance and economics journals, including the *Journal of Political Economy*, the *Journal of Financial Economics*, the *Journal of Finance*, and the *Review of Financial Studies*.

René M. Stulz has taught in executive development programs in the U.S., Europe, and Asia. He has consulted for major corporations, law firms, the New York Stock Exchange, the IMF, and the World Bank. He is a director of Banque Paribas, the president of the Gamma Foundation, and a trustee of the Global Association of Risk Professionals.

Moderator:

Professor Bernard Yeung

Dean and Stephen Riady Distinguished Professor in Finance and Strategic Management, National University of Singapore

Human Capital, Labor Markets and Development

“ In the panel discussion, the panel considered the role of human capital and labor markets in the past and future development of Asian economies. Human capital investments foster development and respond positively to it. Labor markets are central to the development process, largely because much of the human capital investment occurs in the workplace and in anticipation of future work.

SPEAKER'S PROFILE



Professor Chang-Tai Hsieh

Phyllis and Irwin Winkelried
Professor of Economics and
PCL Faculty Scholar, The
University of Chicago Booth
School of Business

Chang-Tai Hsieh conducts research on growth and development. Hsieh has published several papers in top economic journals, including “Misallocation and Manufacturing TFP in China and India,” in the *Quarterly Journal of Economics*; “Relative Prices and Relative Prosperity,” in the *American Economic Review*; “Can Free Entry be Inefficient? Fixed Commissions and Social Waste in the Real Estate Industry,” in the *Journal of Political Economy*; and “What Explains the Industrial Revolution in East Asia? Evidence from the Factor Markets,” in the *American Economic Review*.

Hsieh has been a visiting scholar at the Federal Reserve Banks of San Francisco, New York, and Minneapolis, as well as the World Bank's Development Economics Group and the Economic Planning Agency in Japan. He is a Research Associate for the National Bureau of Economic Research, a Senior Fellow at the Bureau for Research in Economic Analysis of Development, a Co-Director of the China Economics Summer Institute, and a member of the Steering Group of the International Growth Center in London.

He is the recipient of an Alfred P. Sloan Foundation Research Fellowship, Smith-Richardson Foundation Research Fellowship, and the Sun Ye-Fang award for research on the Chinese economy.

SPEAKER'S PROFILE



**Professor
Hongbin Li**

C.V. Starr Chair Professor,
Tsinghua University

Li, Hongbin C.V. Starr Professor of Economics at the School of Economics and Management SEM, Tsinghua University, and the executive associate director of the China Data Center of Tsinghua University as well. He earned his Bachelor degree from China Agricultural University in 1993 and received his Ph.D. degree from Stanford University in 2001. Before joining Tsinghua in 2007, he was professor in the economics department at the Chinese University of Hong Kong.

Professor Li was selected the Cheung Kong Scholar by the Ministry of Education of China in 2009 and received the Distinguished Young Scholar Grant from the National Science Foundation of China in 2010. He won the First Prize on International Essay Competition on the "Income Distribution and Poverty in China" by the World Institute for Development Economics Research in April 2005. He received the Koret Award/ Fellowship from 1995 to 1998 as well as the Provost Fellowship in the summer 1996 both from Stanford University.

Professor Li currently teaches Advanced Micro-Econometrics, Development Economics, Honors Program-Academic Track, and Freshmen Seminar.

Professor Li has published extensively in leading economics journals such as JPE, EJ, ReStat, JoLE, JPubE, JDE, JHR and etc. He has received many research grants funded by the National Science Foundation of China, Research Grants Council of Hong Kong and etc.

Professor Li has served on the editorial board of Journal of Comparative Economics and China Economic Review, as well as on the editorial advisory board of China Agricultural Economic Review. He is a research fellow of IZA in Germany and a senior research fellow of J. Mirrlees Institute of Economic Policy Research. He was the associate director of the Center for Economics and Finance at the Chinese University of Hong Kong from 2006 to 2007.

MENTOR PROGRAM

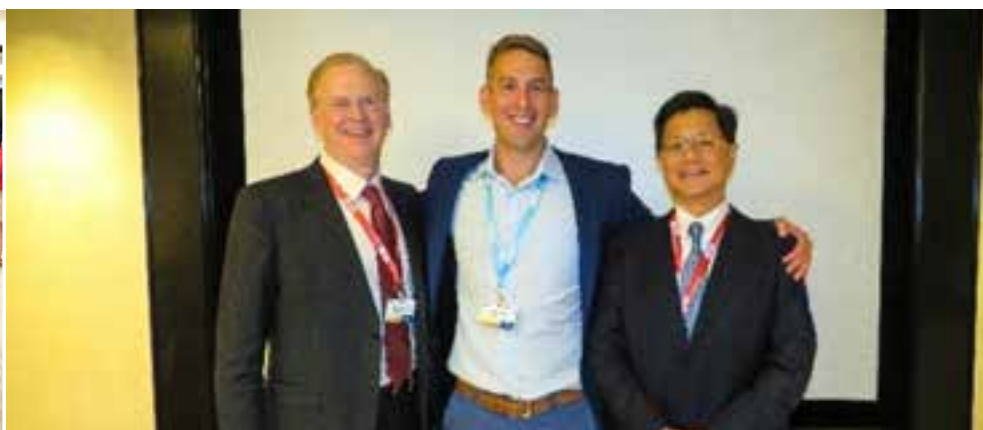
The Mentor Program, introduced in 2016, is a platform for the juniors to mingle with the seniors and gain insights from them. The objective of the Mentor Program is to develop capabilities in local institutions (Asia Pacific) by inviting junior faculty and even doctoral students to attend the ABFER Annual Conferences held in May each year. These pre-tenured, junior faculties who are active in research from Asia Pacific countries are invited to interact with senior academics from all over the world during the conference through a series of events. To increase visibility, these Senior Fellows of ABFER are specially tagged to allow easy identification not only during the Mentor Program but throughout the Annual Conference. The Mentor Program includes event such as Junior and Senior Breakfast, Career 101 Advice, Networking Cocktail and Master Class on Machine Learning.

2017

Delegates were invited on 21 & 24 May for a Networking Cocktail. Senior Fellows present gave meaningful advice to the juniors on topics such as selecting co-authors and research publication. A two-day Master Class was also held on 24 & 25 May by Professor Matt Taddy on Machine Learning for Applications in Economics and Finance. Participants not part of the Mentor Program were also invited to attend his session.



Networking Cocktail



Left to Right: Professor Steven J. Davis, Professor Matt Taddy, Professor Bernard Yeung

SPEAKER'S PROFILE



Professor Matt Taddy

Professor of Econometrics
and Statistics at the University
of Chicago Booth School of
Business

Matt Taddy joins Microsoft Research from the University of Chicago, where he is Professor of Econometrics and Statistics at the Booth School of Business and a fellow of the Computation Institute. He leads MSR's Alice project on Economic AI.

Taddy works at the intersections of statistics, economics, and machine learning. His research is directed towards development of new algorithms for machine learning, uncertainty quantification for these algorithms, and incorporation of artificial intelligence into the study of social and economic systems. Recent projects include optimization for complex demand and incentive systems, analysis of the polarization of political dialogue, and development of artificial intelligence for questions of causation.

Taddy developed and teaches the Big Data class at Booth, an advanced MBA course that is designed to prepare students for careers at the interface of business strategy and Data Science. He has collaborated extensively with national laboratories, a variety of start-up ventures, and was a research fellow at eBay from 2014-2016. He earned his PhD in Applied Mathematics and Statistics in 2008 from the University of California, Santa Cruz, as well as a BA in Philosophy and Mathematics and an MSc in Mathematical Statistics from McGill University. He joined the Chicago Booth faculty in 2008 and Microsoft in 2016.

ASIAN MONETARY POLICY FORUM

The Asian Monetary Policy Forum, or more commonly known as AMPF, is loosely modelled after the highly successful US Monetary Policy Forum and is the first of such in Asia. Organized under the auspices of ABFER, with support from the University of Chicago Booth School of Business, the Monetary Authority of Singapore (MAS) and National University of Singapore Business School, the event was first launched in 2014 and has since seen overwhelming response from participants. The forum brings together an exclusive group of globally prominent academics, policymakers and financial practitioners to exchange their views and share insights on relevant economic, financial and monetary policy issues relating to Asia. It aims to raise the level of intellectual discourse on economic and monetary challenges opposing Asian policymakers and provide a platform to facilitate research collaboration.

The AMPF, held a day after the ABFER Annual Conference, typically commences with a keynote speech and joint dinner the night before the actual day. On the day of the event, the program kicks off in the morning with an opening keynote address followed by a commissioned paper session. The afternoon agenda is a closed door moderated discussion comprising senior participation from central bankers, academic researchers, and private sector analysts.

Attendance to the forum is strictly by invitation only. More information on AMPF and conference details can be found at <http://abfer.org/Asian-Monetary-Policy-Forum/asian-monetary-policy-forum>



Left to Right: Mr Edward Robinson, Professor Bernard Yeung, Professor Andrew K. Rose, Dr Jacob A. Frenkel, DPM Tharman Shanmugaratnam, Professor Steven J. Davis, Professor Raghuram G. Rajan, Dr Willem Buiter, Professor Assaf Razin, Professor Jeffrey Frankel

NOTABLE KEY SPEAKERS

2017 CONFERENCE KEYNOTE ADDRESS **Global Economic Outlook**

Dr Willem Buiter gave the conference keynote address, taking stock of recent developments in the world economy and shared his views on the pickup in global growth momentum. He also highlighted risks that appeared to be underweighted by markets, such as a possible increase in trade protectionism, the rise of anti-immigration sentiment, structural reform challenges and geopolitical uncertainties.



Dr Willem Buiter

Chief Economist,
Citigroup

SPEAKER'S PROFILE

Willem Buiter is Chief Economist at Citi since 2010. He taught at the London School of Economics, and the universities of Princeton, Yale, Cambridge and Bristol. He was an external MPC member from 1997 till 2000 and Chief Economist at the EBRD from 2000 till 2005. He is married to Professor Anne Sibert.

2017 COMMISSIONED PAPER **Systematic Managed Floating**

Professor Jeffrey Frankel presented the commissioned paper on “Systematic Managed Floating”. He revisited his earlier research spanning the last few decades on different exchange rate regimes and defined an intermediate system called “systematic managed floating”, whereby the central bank absorbs pressures on the currency through a combination of exchange rate flexibility and foreign exchange market intervention. He also empirically examined the issue of whether the choice of exchange rate regime made a difference and found that systematic managed floating allowed the exchange rate to serve as a buffer to external shocks. The paper was discussed by Professor Andrew K. Rose from University of California, Berkeley and Professor Assaf Razin from Tel Aviv University.



Professor Jeffrey Frankel

James W. Harpel
Professor of Capital
Formation and Growth,
Harvard University's
Kennedy School of
Government

SPEAKER'S PROFILE

Jeffrey Frankel is James W. Harpel Professor of Capital Formation and Growth at Harvard University's Kennedy School of Government. He directs the program in International Finance and Macroeconomics at the National Bureau of Economic Research, where he is also on the Business Cycle Dating Committee. He served at the Council of Economic Advisers in 1983-84 and 1996-99. As CEA Member appointed by President Clinton, Frankel's responsibilities included international economics, macroeconomics, and the environment. Before moving East, he had been Professor of Economics at the University of California, Berkeley, having joined the faculty in 1979. His research interests include international finance, currencies, monetary and fiscal policy, commodities, regional blocs, and global environmental issues.

NOTABLE KEY SPEAKERS

2016 CONFERENCE KEYNOTE ADDRESS

Monetary Policy Challenges: Asia in the World

Dr Zhu Min's keynote address "Monetary Policy Challenges: Asia in the World" described the prevailing trends in the global economy, including the persistence of lower growth, falling inflation, higher market volatility, the adoption of negative interest rates and the impact of China's economic rebalancing. Dr Zhu also gave an overview of the monetary policy frameworks in the ASEAN economies and highlighted the continued importance of globalisation to Asia, which remains the most dynamic region in the world.



Dr Zhu Min

Deputy Director,
International Monetary
Fund

SPEAKER'S PROFILE

Dr Min Zhu assumed the position of Deputy Managing Director on July 26, 2011. Previously he served as Special Advisor to the Managing Director of the International Monetary Fund from May 3, 2010 to July 25, 2011.

Dr Zhu, a native of China, was a Deputy Governor of the People's Bank of China. He was responsible for international affairs, policy research, and credit information. Prior to his service at China's central bank, he held various positions at the Bank of China where he served as Group Executive Vice president, responsible for finance and treasury, risk management, internal control, legal and compliance, and strategy and research. Dr Zhu also worked at the World Bank and taught economics at both Johns Hopkins University and Fudan University.

Dr Zhu received a Ph.D and an M.A. in economics from Johns Hopkins University, an M.P.A. from the Woodrow Wilson School of Public and International Affairs at Princeton University, and a B.A. in economics from Fudan University.

Currency Wars, Coordination, and Capital Control

Professor Olivier Blanchard presented the commissioned paper on “Currency Wars, Coordination and Capital Controls”. His paper explores the channels through which the macroeconomic policies of the advanced economies impact emerging markets. In view of these spillover effects, Professor Blanchard examined the scope for international policy coordination and concluded that it is still rather limited. He also argued for a potential role of capital controls not only as macroeconomic tool but also as a financial stability tool. This paper was discussed by Professor Takatoshi Ito from Columbia University and Professor Stephen Cecchetti from the Brandeis University International Business School.

**Professor
Olivier
Blanchard**

Former Chief Economist,
International Monetary
Fund (IMF) & Senior
Fellow, Peterson
Institute for International
Economics (PIIE)

SPEAKER'S PROFILE

Olivier Blanchard joined the Peterson Institute for International Economics as the first C. Fred Bergsten Senior Fellow in October 2015. A citizen of France, Blanchard has spent most of his professional life in Cambridge, MA. After obtaining his PhD in economics from the Massachusetts Institute of Technology (MIT) in 1977, he taught at Harvard University, returning to MIT in 1982. He was chair of the economics department from 1998 to 2003. In 2008, he took a leave of absence to be the economic counselor and director of the Research Department of the International Monetary Fund. He remains Robert M. Solow Professor of Economics emeritus at MIT.

He is a past editor of the Quarterly Journal of Economics and the NBER Macroeconomics Annual and founding editor of American Economic Journal: Macroeconomics. He is a fellow and past council member of the Econometric Society, past vice president of the American Economic Association, and a member of the American Academy of Sciences.

**The Global Economic and Financial System:
Challenges and Prospects**

Dr Jacob Frenkel, delivered a keynote speech on the state of the global economy and the implications for monetary policy normalisation. He tackled on the challenges and prospects of confronting the global economic and financial system in his keynote.



**Dr Jacob
Frenkel**

Chairman, JPMorgan
Chase International

SPEAKER'S PROFILE


Dr Jacob A. Frenkel is Chairman of JPMorgan Chase International and a member of the J.P. Morgan International Council. He also serves as Chairman of the Board of Trustees of the Group of Thirty (G-30) which is a private, non-profit, Consultative Group on International Economic and Monetary Affairs.

Dr Frenkel served from 2001 to 2011 as Chairman and CEO of the G-30, from 2004 to 2009 as Vice Chairman of American International Group, Inc., and from 2000 to 2004 as Chairman of Merrill Lynch International, as well as Chairman of Merrill Lynch's Sovereign Advisory and Global Financial Institutions Groups.

Between 1991 and 2000 he served two terms as the Governor of the Bank of Israel. He is credited with reducing inflation in Israel and achieving price stability, liberalizing Israel's financial markets, removing foreign exchange controls, and integrating the Israeli economy into the global financial system.

Between 1987 and 1991, he was the Economic Counsellor and Director of Research at the International Monetary Fund, and between 1973 and 1987 he was on the faculty of the University of Chicago where he held the position of the David Rockefeller Professor of International Economics and served as Editor of the Journal of Political Economy.

He is a Fellow of the Econometric Society, a Foreign Honorary Member of the American Academy of Arts and Sciences, a member of the Board of Trustees of the New York Economic Club, a member of the Board of Directors of the National Bureau of Economic Research, of the Japan Society, and of the Peterson Institute for International Economics, a member of the Trilateral Commission, a member of the Boards of the Aspen Institute Italia and The Council for the US and Italy, a member of Temasek International Panel (TIP), a member of the International Advisory Council of China Development Bank and a member of the Board of Overseers of the Becker Friedman Institute for Research and Economics. He is also a member of the Board of Directors of Boston Properties, Inc. and Loews Corporation.



Dr Frenkel is a Laureate of the 2002 Israel Prize in Economics, a recipient of the Scopus Award from the Hebrew University, the Hugo Ramniceanu Prize for Economics from the Tel-Aviv University, the Czech Republic's Karel Englis Prize in Economics, the "Order de Mayo al Merito" (in the rank of Gran Cruz) decoration from the Government of Argentina, the "Order of Merit" (in the rank of Cavaliere di Gran Croce) decoration from the Republic of Italy, and the YIVO Lifetime Achievement Award. He is also a recipient of several Honorary Doctoral degrees and other decorations and awards, including the "1993 Economic Policy Award" by "Emerging Markets" and the "1997 Central Banker of the Year Award" by "Euromoney".

Dr Frenkel serves as Chairman of the Board of Governors of Tel Aviv University. He previously served as Chairman of the Board of Governors of the Inter-American Development Bank (1995-1996), as Vice Chairman of the Board of Governors of the European Bank for Reconstruction and Development (1999-2000), as Governor of the IMF and Alternate Governor of the World Bank for Israel (1991-2000), and a member of the Economic Advisory Panel of the Federal Reserve Bank of New York (1986-2014).

Dr Frenkel is the author of numerous books and articles in the fields of International Economics and Macro-Economics. Dr Frenkel holds a B.A. in economics and political science from the Hebrew University of Jerusalem, and an M.A. and Ph.D. in economics from the University of Chicago.

Financial Development in Asia: The Role of Policy and Institutions, with Special Reference to China

Professor Barry Eichengreen presented the commissioned paper on “Financial Development in Asia: The Role of Policy and Institutions, with Special Reference to China”. In his paper, he mentioned about the progress of Asian economies over the past 10 years and discussed on China’s prospects. He highlighted the risks of capital account liberalization and suggested for policy makers to focus more on the efficiency of financial system in meeting the needs of household and firms rather than focusing on the volume of investment. This paper was discussed by Professor Hélène Rey from the London Business School and Dr Mark Spiegel from the Federal Reserve Bank of San Francisco.

**Professor
Barry
Eichengreen**

George C. Pardee
and Helen N. Pardee
Professor of Economics
and Political Science,
University of California,
Berkeley

SPEAKER'S PROFILE

Barry Eichengreen is the George C. Pardee and Helen N. Pardee Professor of Economics and Professor of Political Science at the University of California, Berkeley, where he has taught since 1987. He is a Research Associate of the National Bureau of Economic Research (Cambridge, Massachusetts) and Research Fellow of the Centre for Economic Policy Research (London, England). In 1997-98 he was Senior Policy Advisor at the International Monetary Fund. He is a fellow of the American Academy of Arts and Sciences (class of 1997).

Professor Eichengreen is the convener of the Bellagio Group of academics and economic officials and chair of the Academic Advisory Committee of the Peterson Institute of International Economics. He has held Guggenheim and Fulbright Fellowships and has been a fellow of the Center for Advanced Study in the Behavioral Sciences (Palo Alto) and the Institute for Advanced Study (Berlin). He is a regular monthly columnist for Project Syndicate. His books include *Labor in the Era of Globalization*, co-edited with Clair Brown and Michael Reich, *Emerging Giants: China and India in the World Economy*, co-edited with Poonam Gupta and Ranjiv Kumar, *Fostering Monetary & Financial Cooperation in East Asia*, co-edited with Duck-Koo Chung, *What G20 Leaders Must Do to Stabilize Our Economy and Fix the Financial System*, co-edited with Richard Baldwin, (e-book 2008), *Rescuing Our Jobs and Savings: What G7/8 Leaders Can Do to Solve the Global Credit Crisis*, co-edited with Richard Baldwin, (e-book 2008), *Globalizing Capital: A History of the International Monetary System*, Second Edition (2008), *The European Economy since 1945: Coordinated Capitalism and Beyond* (updated paperback edition) (2008), *Bond Markets in Latin America: On the Verge of a Big Bang?*, co-edited with Eduardo Borensztein, Kevin Cowan, and Ugo Panizza (2008), and *China, Asia, and the New World Economy*, co-edited with Charles Wyplosz and Yung Chul Park (2008).

He was awarded the Economic History Association's Jonathan R.T. Hughes Prize for Excellence in Teaching in 2002 and the University of California at Berkeley Social Science Division's Distinguished Teaching Award in 2004. He is also the recipient of a doctor honoris causa from the American University in Paris.

2014 CONFERENCE KEYNOTE ADDRESS

Trilemmas and Tradeoffs

AMPF 2014 featured a commissioned paper by prominent macroeconomist Professor Maurice Obstfeld titled “Trilemmas and Tradeoffs: Living with Financial Globalization”. The paper addressed the capacity of emerging market economies to moderate the domestic impact of global financial forces through monetary policy.

Monetary policy can be faced with difficult trade-offs when the single instrument available to central banks is aimed at achieving more than one target. When policymakers are additionally burdened with the financial stability objective, optimal monetary policy could be drawn away from the exclusive devotion to traditional macroeconomic goals. By deploying and raising the effectiveness of domestic authorities’ macroprudential tools, however, the burden on monetary policy can be reduced. This paper was discussed during the forum by Dr Jonathan Ostry from the International Monetary Fund and Dr Claudio Borio from the Bank for International Settlements.



**Professor
Maurice
Obstfeld**

Professor of Economics,
University of California,
Berkeley

SPEAKER'S PROFILE

Maurice Obstfeld is the Class of 1958 Professor of Economics and Director of the Center for International and Development Economic Research (CIDER). He joined Berkeley in 1989 as a professor, following appointments at Columbia (1979-1986) and the University of Pennsylvania (1986-1989). He was also a visiting professor at Harvard between 1989 and 1991. He received his Ph.D. from MIT in 1979. Professor Obstfeld serves as honorary advisor to the Bank of Japan's Institute of Monetary and Economic Studies. Among Professor Obstfeld's honors are the Carroll Round Keynote Lecture, Woodward Lecture, and Bernhard Harms Prize and Lecture in 2004. Professor Obstfeld is a Fellow of the Econometric Society and the American Academy of Arts and Sciences. He is active as a research Fellow of CEPR, a research associate at NBER, and an International Research Fellow at the Kiel Institute of World Economics.

ASIAN MONETARY POLICY FORUM (AMPF)

PROMINENT ACADEMIA, BUSINESS LEADERS AND POLICYMAKERS

AMPF 2017



- **Professor Tan Chorh Chuan**, National University of Singapore & ABFER
- **Professor Raghuram G. Rajan**, University of Chicago Booth School of Business
- **Professor Steven Davis**, University of Chicago Booth School of Business & ABFER
- **Mr Edward Robinson**, Monetary Authority of Singapore
- **Dr Willem Buiter**, Citigroup
- **Professor Jeffrey Frankel**, Harvard University
- **Professor Bernard Yeung**, National University of Singapore & ABFER
- **Professor Andrew K. Rose**, University of California, Berkeley
- **Professor Assaf Razin**, Tel Aviv University
- **Mr Tharman Shanmugaratnam**, Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Singapore
- **Dr Jacob A. Frenkel**, JP Morgan Chase International

AMPF 2016



- **Dr Zhu Min**, International Monetary Fund
- **Professor Olivier Blanchard**, Peterson Institute for International Economics
- **Professor Stephen Cecchetti**, Brandeis University International Business School
- **Professor Takatoshi Ito**, The Columbia University
- **Mr Tharman Shanmugaratnam**, Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Singapore
- **Professor Steven Davis**, The University of Chicago Booth School of Business & ABFER
- **Mr David Marsh**, The Official Monetary and Financial Institutions Forum
- **Mr Ravi Menon**, Monetary Authority of Singapore
- **Dr Eli M Remolona**, Bank for International Settlements
- **Dr Frederic Neumann**, HSBC Holdings PLC
- **Professor Yu Yongding**, China's Academy of Social Sciences
- **Professor Kenneth Rogoff**, Harvard University
- **Dr Wei Shang-Jin**, Asian Development Bank & ABFER

AMPF 2015



- **Dr Jacob A. Frenkel**, JPMorgan Chase International
- **Professor Barry Eichengreen**, University of California, Berkeley
- **Mr Glenn Stevens**, Governor, Reserve Bank of Australia
- **Professor Hélène Rey**, London Business School
- **Dr Mark Spiegel**, Federal Reserve Bank of San Francisco
- **Professor Tan Chorh Chuan**, National University of Singapore & ABFER
- **Mr Tharman Shanmugaratnam**, Deputy Prime Minister and Coordinating Minister for Economic and Social Policies, Singapore
- **Mr Ravi Menon**, Monetary Authority of Singapore
- **Dr Prasarn Trairatvorakul**, Governor, Bank of Thailand
- **Dr Jahangir Aziz**, JP Morgan
- **Mr Bert Hofman**, World Bank
- **Dr Wei Shang-Jin**, Asian Development Bank & ABFER
- **Professor Carmen M. Reinhart**, Harvard Kennedy School of Government
- **Professor Andrew K. Rose**, University of California, Berkeley & ABFER

AMPF 2014



- **Mr Ravi Menon**, Monetary Authority of Singapore
- **Professor Maurice Obstfeld**, University of California, Berkeley
- **Dr Claudio Borio**, Bank for International Settlements
- **Dr Jonathan Ostry**, International Monetary Fund
- **Dr Alan Bollard**, Asia Pacific Economic Cooperation & ABFER
- **Mr Masaaki Shirakawa**, Ex-Governor, Bank of Japan & ABFER
- **Dr Duvvuri Subbarao**, Ex-Governor of Reserve Bank of India & ABFER
- **Professor John B. Taylor**, Stanford University
- **Professor Tan Chorh Chuan**, National University of Singapore & ABFER
- **Mr Robert Subbaraman**, Nomura
- **Mr Manu Bhaskaran**, Centennial Asia Advisors
- **Dr Johanna Chua**, Citigroup
- **Mr Simon Flint**, Dymon Asia

INDUSTRY OUTREACH

The Industry Outreach Series was first proposed as an ABFER sponsored event to connect successful academics, including ABFER's Senior Fellows, with the industry practitioners. To date, the inaugural Industry Outreach Series have gone through three dialogue sessions, one held in 2013 and the other two held in year 2014. This format for the inaugural event was a luncheon starting with an opening address, speeches followed by Q&A sessions and closing address. In this series, opportunities are created for industry leaders to provide insightful feedbacks to the academics to enrich their research. The two-way exchange enhances collective intellectual intensity that allows academic works to become more practical, relevant and rigorous while enabling industry to find logical foundation for correct intuition and reject any misplaced one.

2014 LABOR MARKET FLUIDITY AND ECONOMIC PERFORMANCE

ABFER's most recent industry dialogue session was held on 18th December 2014 at The Pan Pacific Singapore, in collaboration with The Chicago Economics Society (CES). We were honoured to have our Senior Fellow, Professor Steven Davis from the University of Chicago Booth School of Business with us to provide his insights into the ever volatilities of the U.S. labor markets and the implications on employment, human capital, wages and productivity.



Clockwise from top left: 1) Professor Tan Chorh Chuan networking with fellow industry practitioners 2) Panel Discussion moderated by Professor Ilian Mihov, with Q&A session 3) Audience crowd at panel discussion 4) Audience member posed questions during Q&A session



PERSPECTIVES ON GLOBAL ECONOMIC DEVELOPMENTS: ACHIEVING GROWTH WITH FINANCIAL STABILITY

ABFER held its first Council Meeting at the Pan Pacific Hotel Singapore on 5 September 2014. In conjunction with the Council Meeting, ABFER took the opportunity of the fact that 6 council members were present in Singapore to organize a special Industry Outreach Seminar.

The seminar kick-started with an opening address by Professor Tan Chorh Chuan, followed by a panel discussion on “Perspectives on Global Economic Developments: Achieving Growth with Financial Stability”. The panellists included Sir Howard Davies, Mr Piyush Gupta, Professor Masaaki Shirakawa and Dr Duwvuri Subbarao while the dialogue was moderated by Professor Ilian Mihov. The issue of slow post-financial-crisis recovery was discussed in depth, in which a panel of eminent speakers shared their views extensively on the prospects for the global economy, the critical risk factors one needs to be aware of, and the key considerations relevant to long-term growth, particularly for Asia. Professor Bernard Yeung then ended off the event with a closing address.



From left to right: Professor. Bernard Yeung, Professor Ilian Mihov, Sir Howard Davies, Professor. Tan Chorh Chuan, Mr Piyush Gupta, Professor Masaaki Shirakawa, Dr Duwvuri Subbarao and Mr Edward Robinson

2013 POWERFUL INDEPENDENT DIRECTORS AND THEIR INFLUENCE BY PROFESSOR RANDALL MORCK

Being ABFER's first attempt at organizing an industry outreach seminar, the session in 2013 started off simple with just one speaker. Nevertheless, it was nothing short of amazing to draw attention to the rapid prevalence of using supercomputers to analyse Big Data and perform calculations of unprecedented complexity. ABFER invited Professor Randall Morck to provide his insights on the significance of powerful independent directors and their impacts on corporate governance.



Clockwise from top left: 1) Professor Randall Morck delivering his presentation 2) Audience crowd at seminar 3) Professor Randall Morck with Professor Chang Sea-Jin 4) Professor Bernard Yeung (2nd from right) gather with fellow participants for a group photo.

SPECIALTY CONFERENCE



Participants gathered for a group photo



Presentation of research papers

Having built a community, ABFER is ready to take on a leadership role in nurturing the development of research agenda. Thus, ABFER has been considering the development of a series of specialty conferences around the theme of “Financial Regulation, Financial Intermediation, and Economic Performance”.

On 16th-17th January 2017, ABFER held its first specialty conference

“Financial Regulations: Intermediation, Stability and Productivity (I)”,

aimed at nurturing research agenda through smaller scaled focus group discussions. The event was organized with the support provided from the Asian Development Bank (ADB), Asian Development Bank Institute European Central Bank (ECB), the Monetary Authority of Singapore (MAS) and the National University of Singapore Business School. The conference, held in the National University of Singapore Business School, gathered leading academics, central bankers, financial regulators, and experts from international financial organizations to discuss theory, practices and policy implications of financial regulations: intermediation, stability and productivity.

The conference keynotes were provided by Mr Stijn Claessens, Senior Adviser in the Division of International Finance of the Federal Reserve Board, and Professor Thorsten Beck, who has had a wide range of experiences in several research departments such as the World Bank, ECB, BIS, IMF, the European Commission, and the German Development Corporation. There were two-day of presentation and discussion of research papers, covering issues such as assessing the impact of post financial crisis, and monetary policies in the region.

MILESTONES

2017

- MAY 4TH ASIAN MONETARY POLICY FORUM
- MAY ABFER 5TH ANNUAL CONFERENCE
- JAN INAUGURAL ABFER SPECIALTY COFERENCE

2016

- MAY 3RD ASIAN MONETARY POLICY FORUM
- MAY ABFER 4TH ANNUAL CONFERENCE

2015

- MAY 2ND ASIAN MONETARY POLICY FORUM
- MAY ABFER 3RD ANNUAL CONFERENCE

2014

- DEC INDUSTRY OUTREACH SERIES SEMINAR
- SEP INDUSTRY OUTREACH SERIES SEMINAR
- MAY INAUGURAL ASIAN MONETARY POLICY FORUM
- MAY ABFER 2ND ANNUAL CONFERENCE
- FEB LAUNCH OF ABFER RESEARCH DIGEST
- FEB ABFER REGISTERED WITH REGISTRY OF SOCIETY

2013

- NOV INAUGURAL INDUSTRY OUTREACH SERIES LUNCHEON
- MAY INAUGURAL ABFER ANNUAL CONFERENCE

TAP COMPLEMENTARY ASPECTS OF FISCAL AND MONETARY POLICIES: RAVI MENON

By Nur Sabrina Azmi
Business Times Singapore, 2 Jun 2016

Singapore

The managing director of the Monetary Authority of Singapore (MAS) has urged policymakers and economists to “look beyond the noise” and towards the underlying trends in the economy.


Ravi Menon said: “We need to be able to discern from these changes what the underlying structural and cyclical trends are in order to design policies in response.”

He was speaking at a panel discussion at the third **Asian Monetary Policy Forum (AMPF)** held last week. The event at the Shangri-La Hotel, held to discuss the economic challenges and policy issues confronting Asia, also gathered panel participants such as HSBC managing director Frederic Neumann, academic adviser of the Chinese Academy of Social Sciences Yu Yongding and chief representative of BIS for Asia and the Pacific Eli Remolona.

Mr Menon said that it was important to exploit the complementarities between policies. For example, monetary policy - entailing the changing of the interest rate and influencing the money supply - has a lot of potential to stimulate the economy, but has delivered diminishing returns; fiscal policy, implemented through the changing of tax rates and levels of government spending to influence aggregate demand in the economy, is difficult to sustain.

These policies need to work together, but unfortunately, this is not happening in a sufficiently strong way, he said.

More discussion also needs to take place on how fiscal policy can complement structural policy, he said.


 *The question is not the magnitude of fiscal policy, but its composition in terms of specific tax and expenditure measures and how to front-load stimulatory effects for the economy in a sustainable manner.*

China, for instance, has more space for fiscal policy, but needs to decide which policy stimulus will bring about moderate growth rates that would support structural reforms - without adding risk.

"The tension is not between macro policies and structural policies, nor is it between long-term and short-term effects. Rather, it is about how to combine macro policies and structural policies and to make the short term sustainable for the long term."

The trends that are shaping emerging Asia can be seen through three cycles, namely the commodities cycle, the trade cycle and the financial cycle.

In the commodities cycle, the slowdown in investment of infrastructure in China resulted in a fall in demand in commodities, which has had a different impact on the rest of Asia.

 *Fundamental structural changes that are occurring in the oil market will also affect emerging Asian countries for a while.*

- added Mr Menon.

He said that, for the first time in decades, there seems to be a retreat in globalisation, to the extent that trade is growing more slowly than income.

For example, China's economy is facing a structural shift away from manufactured goods to services and these trends are noticeable, not only in the commodities trade but in IT and electronics value chains and networks as well.

Financial conditions in Asia continue to tighten, a trend Mr Menon described as "healthy". Emerging Asian countries are releveraging, post-global financial crisis in 2008. Leverage built up during that period would take a considerable amount of time to bring down, creating another challenge for Asia.

BIS representative Mr Remolona said: "Part of the financial cycle and deleveraging in Asia is occurring more in the primary market, as some people are issuing corporate bonds, while others borrow directly from banks in large amounts."

As a result, there are now more than US\$10 trillion globally in US dollar-denominated credit.

The panellists were, however, optimistic about Asia's resilience through slowing economic growth; despite the debt build-up in China and Asia, the outlook does not seem as bad as the accumulation of debt that led to the Asian Financial Crisis in 1997.

HSBC economist Mr Neumann said that the region may not head into a financial crisis due to low interest rates, but countries in Asia should focus on improving productivity growth rates through improvements in trade or trade liberalisation policies.


The managing director of the Monetary Authority of Singapore (MAS) has urged policymakers and economists to "look beyond the noise" and towards the underlying trends in the economy.

PBOC SHOULD QUIETLY ALLOW BIGGER YUAN MOVES, EX-ADVISER YU SAYS

By David Roman
Bloomberg, 27 May 2016

- Policy change might lead to 20% devaluation: Yu Yongding
- Sees U.S. pressure deterring China from freeing up rate

China should quietly allow wider moves in the yuan, a strategy that will reduce the cost of limiting declines, although U.S. pressure against a big devaluation will be a deterrent, according to a former People's Bank of China adviser.

 *The currency basket should be allowed to fluctuate within a big band, at least 20 percent," Yu Yongding said Friday in Singapore, referring to an index of 13 currencies of China's trading partners tracked by the PBOC. "China does not need to disclose this band, keep it to yourself. Markets would speculate, and guess.*

The yuan will likely depreciate as much as 20 percent on such an adjustment--mostly driven by capital outflows triggered by higher U.S. interest rates--and downward pressure would be reduced, Yu said in an interview on the sidelines of an economics conference.

"Because you stopped intervention, you are then free to use your ammunition," said Yu, now a senior research fellow at the Chinese Academy of Social Sciences. "China still has \$3 trillion, who dares to attack against that?" he added, referring to China's foreign-exchange reserves, the world's largest stockpile.

His comments came just as the PBOC said Friday it has continuously increased the two-way flexibility of the yuan's exchange rate. The monetary authority controls the onshore currency by setting a daily reference rate, which limits moves to 2 percent on either side.

Basket Falls

A Bloomberg replica of the CFETS RMB Index has declined 3.7 percent so far this year, as the PBOC nudged a decline to combat a decline in exports. The U.S. Treasury Department said last month that it is putting economies including China, Japan and Germany on a new currency watch list to gauge whether they provide an unfair trade advantage.

Yu said the political factor is one reason the PBOC is likely to maintain its current policy of intervention. "They pay attention to the pressure of the U.S.," he said. "According to them (U.S. officials) China's side has promised it will maintain exchange-rate stability, I don't know whether the PBOC has done it or not."

第三届亚洲货币政策论坛 于新加坡举行

By 胡渊文
Lianhe Zaobao, 28 May 2016

第三届亚洲货币政策论坛 (Asian Monetary Policy Forum) 昨天在新加坡举行。

论坛邀请国际货币基金组织 (IMF) 副总裁朱民作主题演讲，课题是关于货币政策的挑战。他探讨了全球经济的趋势，包括持续的低增长，通货膨胀率下跌，市场波动加剧，负利率政策，以及中国经济重新平衡的影响。IMF前首席经济学家布兰查德 (Olivier Blanchard) 则呈现了关于货币战争和资本控制的论文。

我国副总理兼经济及社会政策统筹部长尚达曼，和芝加哥大学布斯商学院教授史蒂文·戴维斯 (Steven Davis)，在午餐对话会上讨论新加坡面对的社会和经济挑战。

新加坡金融管理局局长孟文能 (Ravi Menon)、中国社会科学院学部委员余永定、国际清算银行亚太首席代表伊莱 (Eli Remolona) 和汇丰银行首席亚洲经济师范力民 (Frederic Neumann) 则探讨亚洲面对的经济和政策挑战。

亚洲货币政策论坛由芝加哥大学布斯商学院、新加坡国立大学商学院和金管局联办和资助，配合亚洲金融与经济研究局 (Asian Bureau for Finance and Economic Research) 年度大会而举行的活动，旨在汇聚学者、政策制定者、金融及商业经济学家，从亚洲的角度共同讨论货币政策课题。

MARKETS ARE IGNORING SERIOUS RISKS, SAY CITIGROUP CHIEF ECONOMIST

By Vikram Khanna
The Business Times Weekend, 27 May 2017

Willem Buiter lists some of them – China, Brexit, the US economy and the EU

By Vikram Khanna
vikram@sph.com.sg
Singapore

FINANCIAL markets are “completely ignoring” serious downside risks to the global economy emanating from sources such as China, Brexit, the US economy and the European Union (EU), Citigroup’s global chief economist Willem Buiter has said.

Speaking at the Asian Monetary Policy Forum on Friday, he said that while this year’s global economic growth is running at a decent rate of about 3 per cent in real terms, the markets are focusing only on the most benign scenarios, without regard to the accompanying risks – and there are plenty of them.

One of the biggest relates to developments in China’s economy, which he suggested displays signs of “an accident waiting to happen”. China’s total debt now exceeds 300 per cent of its GDP, he pointed out, and the government is addressing it by adding further to the leverage, a process “which can end only one way”.

China’s economy also suffers from over-capacity in several industries, which the authorities are dealing with only in selected sectors such as coal and steel, but not in others.

The risks related to Brexit, Britain’s departure from the EU, are also underrated, said Dr Buiter. Britain stands to lose access to much of the labour that many of its industries need and which currently comes from the EU.

Going forward, this spells bad news for capital spending as well as foreign direct investment. Thus far, only the exchange rate has responded to these negative developments. The markets have stayed buoyant.

Dr Buiter pointed out that in the United States, equity markets are trading at valuations which are “hard to understand” and not justified by underlying growth of corporate earnings – a view echoed by a number of market observers. For instance, a recent study by the Bank of America found that the S&P 500, which is trading at more than 25 times current earnings, is over-valued in 18 out of the 20 most commonly used valuation metrics.

Dr Buiter also pointed out that the level of corporate borrowing, especially in the so-called “junk-bonds” (high-yield bonds), is “in dangerous territory”. The risks there, too, are underpriced. He noted that while banks have de-leveraged, household leverage in the US is rising – not through mortgages as was the case in the run-up to the global financial crisis of 2008, but through credit cards, sub-prime car loans and student loans.

“Trump risk” has also not been properly priced, said Dr Buiter. The threat of trade wars has ebbed, but the possibility of trade skirmishes, particularly with China, remain.

The break up of the euro zone also remains a risk, he added, noting that the euro currency system as it stands – with 19 central banks serving as profit-and-loss centres –



Dr Buiter said that “Trump risk” has also not been properly priced. The threat of trade wars has ebbed, but that of trade skirmishes, particularly with China, remain.

is “not viable”. On the positive side, he pointed out that de-globalisation in the form of populism and protectionist sentiment is

not a global phenomenon, being largely confined to the United States and parts of the EU. Most emerging market economies, including large ones such as China, India and other Asian economies, Brazil and Argentina, are in fact moving in the opposite direction.

Some developed economies such as Australia, New Zealand, Canada and Japan have also not succumbed to populism. What is notable, said Dr Buiter, is that all four have low levels of income inequality and score high on inter-generational mobility. These four nations were also relatively unscathed by the global financial crisis.

The Asian Monetary Policy Forum, which was held at the Shangri-La hotel, was co-organised and funded by the University of Chicago Booth School of Business, the National University of Singapore Business School and the Monetary Authority of Singapore.

WE HAVE NOT LEARNED LESSONS FROM LAST FINANCIAL CRISIS: ECONOMIST

By Yasmine Yahya
The New Paper, 27 May 2017

One of the world's top economists has warned that a decade after the last financial crisis, the level of debt taken on by corporations and households in the US is hitting worrying levels.

Citi's global chief economist, Dr Willem Buiter, speaking at the Asian Monetary Policy Forum (AMPF) at the Shangri-La Hotel yesterday, warned of an "explosion in leverage".

"No lessons have been learnt, effectively, since the last financial crisis. Yes, the FSB (Financial Stability Board), the Basel group and national regulators



Wall Street is ignoring risks to the world economy, says Dr Willem Buiter. PHOTO: AFP

Leverage is popping up in new places and are not subject to the kind of safeguards imposed since the 2008 financial crisis.

"Look at the US. No cross-sectoral learning has taken

see corporate debt, especially at the junk end in dangerous territory, with risk wholly underpriced."

Commercial real estate lending has exploded in a way that is

es again... are now leveraging up through credit cards, subprime car loans, student loans and the rapid expansion of credit through shadow banks, which are not on anybody's radar."

Dr Buiter said stock markets, especially Wall Street, are ignoring the risks the world economy faces, including the rising trend of deglobalisation in US and Europe, potential trade skirmishes between China and US, and geopolitical tensions with North Korea.

The AMPF is co-organised by the University of Chicago Booth School of Business, the National University of Singapore Busi-

TOP ECONOMIST WARNS OF 'EXPLOSION IN LEVERAGE'

By Yasmine Yahya
The Straits Times, 27 May 2017

Citi's global chief economist says that since last financial crisis, steps have not been taken to 'prevent next crisis'

Yasmine Yahya
Assistant Business Editor

One of the world's top economists has warned that a decade after the last financial crisis, the level of debt being taken on by corporations and households in the United States is hitting levels that should concern regulators.

Citi's global chief economist, Dr Willem Buiter, speaking at the Asian Monetary Policy Forum (AMPF) in Singapore yesterday, warned of an "explosion in leverage".

"No lessons have been learnt, effectively, since the last financial crisis. Yes, the FSB (Financial Stability Board), the Basel group and national regulators have taken measures to prevent the last crisis. They have not taken measures to prevent the next crisis."

Leverage is popping up in new places and is therefore not subject to the kind of macroprudential safeguards imposed since the 2008 financial crisis, he said.

"Look at the US. No cross-sectoral learning has taken place," he said.

"Yes, leverage is more or less under control in the banking sector because it was hit hard by regulations...but we see corporate debt, especially at the junk end in dangerous territory, with risk wholly underpriced."

Commercial real estate lending has also exploded in a way that is not compatible with the likely future path of occupancy rates, he said.

"Even households, while not leveraging up through mortgages again – that's still under control, because that was the last problem – are now leveraging up through credit cards, subprime car loans, student loans and the rapid expansion of credit through shadow banks, which are not on anybody's radar."

Dr Buiter said stock markets, especially on Wall Street, are too exuberant

and ignoring the risks the world economy faces.

Aside from the explosion in leverage, other risks include the rising trend of deglobalisation in the US and Europe, potential trade skirmishes between China and the US, and geopolitical tensions with North Korea, he said.

"We have a cognitive disconnect between what markets price and what's likely to happen."

The AMPF, held at the Shangri-La Hotel, is co-organised by the University of Chicago Booth School of Business, the National University of Singapore Business School and the Monetary Authority of Singapore.

It brings together prominent academics, financial practitioners and policymakers to discuss monetary policy issues.

yasminey@sph.com.sg

TESTIMONIALS

2017



Prof Sanjeev Bhojraj
Cornell University

I would like to congratulate you on an excellent conference. It was superbly organized and it was a great experience. The hotel accommodations and the food were outstanding.



Prof Jeffrey Pittman
Memorial University of Newfoundland

I'm back in Canada now after the excellent ABFER annual conference in Singapore. Thank you and the rest of your team for doing such an outstanding job in organizing.



Prof Laura Wu
Nanyang Technological University

Thank you very much for your great work. I have really enjoyed and benefited from the ABFER conference. Hope it will continue to be an intellectual flower blossom in Singapore every May.



Prof Chenkai Ni
Fudan University

I wish to thank you for the extremely well organized ABFER conference held last month. I benefited significantly from my presentation and the feedback from the discussant/audience.



Prof Rik Sen
University of New South Wales

I enjoyed the conference very much and all logistical arrangements were perfect.



Mr Pascal Lambert
Head of South East Asia & India and Group Country Head, Singapore, Societe Generale

I would like to congratulate you for the very interesting event on Friday. I felt very privileged to be part of this assembly of very eminent academics and economists. It was at times quite challenging for people like me, but we do not have that many opportunities to be exposed to that type of debate! Thank you for having invited me!

2016



Prof Beatrice Weder di Mauro
University of Mainz

Congratulations on a perfect organization of a great conference.



Prof Sheridan Titman
University of Texas

I enjoyed the ABFER meetings very much. They seem to improve every year.



Prof Kei-Mu Yi
University of Houston

I thought it went very well. It was well-organized, and all the conference staff knew all the information, which was very helpful.



Prof Soliman Mark
University of Southern California

Dear conference organisers, thank you so much for an enjoyable trip to Singapore. It was my first time here and I greatly enjoyed the conference and interacting with the participants.

2015



Mr Alminas Žaldokas
HKUST

Thanks for a fantastic conference! I enjoyed it a lot. The organization of the conference was terrific!

TESTIMONIALS

2014



Mr Brian Toh

Associate Director, Frost & Sullivan

The panel discussions were very interesting indeed and I particularly enjoyed the keynote from Michael on the gala dinner night. I certainly look forward to the 2015 conference.



Ms Leong Soo Yee

Head, ACCA Singapore

Thank you for your kind invitation to the Investments in Asia Forum. I found the panel discussion insightful and interesting – it was an evening spent with good company.



Dr Duvvuri Subbarao

Ex-Governor, Reserve Bank of India

Just to compliment you for the high quality of the Industry Round Table. The panelists were very insightful and you hit all the right buttons in your moderation. Possibly the best practice. I both enjoyed and learnt.



Mr Tim Zee

Managing Director, PAGASIA

I have to thank you all of you for giving me the opportunity to join your panel, to learn from my panelists and to have such a large and illustrious audience gathered. I also wanted to extend my congratulations to Joe and Bernard for ABFER's roaring success!



Ms Betty Kan

Associate Lecturer, SIM Global Education

Many thanks for your kind invitation and generous support. Indeed the discussions were highly insightful. Congratulations on your great success and look forward to future meetings



Mr Henry Kwok

Strategic Partner, Shaping Tomorrow Limited

The keynote speaker on the final night really makes the event something really exceptional. I have not heard any speech of such standards for a long time.



Mr Ron Tan

PRF Global Pte Ltd

I come from a technical analysis (charting) background, and the papers presented at your conference gel very well as a wake up call, that fundamental and technical analysis can be a parallel process in making key trading/investment decision. I enjoyed every minute of it. Wish you greater success in your next event.



Mr Lutfey Siddiqi

Managing Director, UBS Investment Bank

Great crowd, wonderful keynote and an interesting panel.



Mr James Cheng

IF3 Capital Pte Ltd

The conference is really well organized. I thoroughly enjoyed the intellectual feast, although I am "lost" for a good amount of the time! For a layman like me, I not only picked up specific knowledge, but learned to appreciate how smart people think out of the box (so I really enjoyed the "discussant" part). Once again, congratulations and I really hope ABFER will in time rival NBER (until now, my go to source for some intellectual stimulation). Over time, I hope to see even more non-OECD specific research emanate out of ABFER, although it is probably challenging because of data.

RESEARCH DIGEST

ABFER Research Digest summarises selected papers presented in the annual conference over the five years. Our academic workshops and this Digest are just the beginning. We strive to develop a vibrant community that supports our collective advancement in high impact research in finance and economic research in Asia-Pacific.

Click [here](#) to view ABFER Working Papers.

Inside This Issue:

1. Government-owned Banks and Monetary Stabilisation
2. Macroeconomic Policy and Zombie Lending in Korea
3. Understanding Bank Runs: Do Depositors Monitor Bank?
4. Do 'Loan Officers' Justified Lead to Loan Lending Decisions?
5. Identifying the Valuation Effects and Agency Costs of Corporate Diversification: Evidence from the Geographic Diversification of U.S. Firms
6. Connected and Debt Responses to Fiscal Stimuli: Evidence from a Large Panel of Companies in Singapore
7. Transaction Tax and Speculators
8. Why Investors Do Not Buy Chinese Securities: Evidence from a Natural Experiment
9. Small Gains: Have U.S. Capital Markets been Harmed by Chinese Companies Entering the Revenue Markets?
10. Employee Incentives and Firm Valuation: Evidence from Employee Disposal Programs in Japan
11. Non-executive Employee Stock Options and Corporate Innovation
12. Defined Contributions: Pension Plans: Sticky or Discretionary Money?
13. Does Academic Research Drivelly Stock Return Predictability?
14. Maximising Outcomes and Firm Value
15. CRRS Substitution, Hedonic Inflation and Regulatory-Cost Advantage



ASIAN BUREAU OF FINANCE AND ECONOMIC RESEARCH
February 2014

A Message from the President and Executive Committee of ABFER



PRESIDENT, ABFER
Bernard Young
National University of Singapore, (NUS) Business School
Stephen Rieck
Distinguished Professor and Dean



VICE PRESIDENT, ABFER
Rensell Morck
University of Alberta, Alberta School of Business
Stephen A. Zerkowky
Distinguished Chair in Finance and University Professor



VICE PRESIDENT, ABFER
Stan Mitrov
INSEAD Singapore
Dean of INSEAD and Dean

Dear readers, we would like to welcome you to the first ABFER Research Digest. This Digest summarizes selected papers presented in the inaugural ABFER Annual Conference 2013 in May 2013 (<http://www.abfer.org/programme.html>).

The ABFER was formed by accomplished academics from the US, Europe and Asia Pacific. We also receive much support from industry leaders. The enthusiastic support from academics and practitioners are testimony to ABFER's worthy objectives.

The ABFER's objectives are to:

- promote Asia-Pacific oriented financial and economic research at local, regional and international levels;
- connect globally prominent academic researchers, practitioners and public policy decision-makers on Asia-Pacific related financial and economic issues; and
- enhance the research capabilities and development of strong clusters of finance and economic research groups in academic institutions and other institutions in Singapore and Asia-Pacific.

Our 2013 workshops and this inaugural Digest are just the beginning. We strive to develop a vibrant community that supports our collective advancement in high impact research in finance and economic research in Asia-Pacific.

Please feel free to share this Digest with your friends and colleagues. We hope to see you at our next edition.

If you have any feedback and suggestions, please email them to: info@abfer.org

February 2014

THE ABFER ASIAN BUREAU OF FINANCE AND ECONOMIC RESEARCH
October 2016

INSIDE THIS ISSUE:

1. COST OF BEREAVEMENT: HOW DOES PARENTAL LOSS AFFECT MUTUAL FUND MANAGERS
2. HARNESSING THE WISDOM OF CROWDS
3. TO STAY OR TO MIGRATE? THE ONE-CHILD POLICY, LAND TENURE ARRANGEMENTS, AND WORK-BASED MIGRATION IN CHINA
4. "JUST DO YOUR JOB": OBEDIENCE, ROUTINE TASKS, AND THE PATTERN OF SPECIALIZATION
5. IT'S SHOWTIME! CONFERENCE CALL PARTICIPATION AND ANALYSTS' CAREER OUTCOMES
6. CREATIVE DESTRUCTION, INVESTOR BELIEFS AND THE EVOLUTION OF STOCK RETURNS
7. INSIDE BROKERS

Cost of Bereavement: How Does Parental Loss Affect Mutual Fund Managers

Tao Shu (UGA), Johan Sulaeman (NUS), P. Eric Young (Cornell)

The loss of a loved one is an unfortunate and sad experience for most people and can affect them in various ways. However, when a mutual fund manager loses a parent, it can have an unexpected downward impact on returns on the funds managed by him or her, according to a new study.

An interesting study on the Cost of Bereavement: How Does Parental Loss Affect Mutual Fund Managers has been done by Tao Shu, Johan Sulaeman and P. Eric Young.

about a year, suggesting long term negative impact of the death on fund managers' cognitive ability. This effect is robust to using various measures of fund performance and is stronger when the parental death was less expected.

The authors say that the underperformance cannot be explained by alternative explanations like physical distractions around parental death as these distractions are mostly temporary. They also look at real estate sales following parental deaths, which the potential of causing long-term distractions and find that these sales are relatively infrequent and



On examining the impact of parental death on the performance and behaviour of mutual fund managers, the authors find that the returns on mutual funds managed by them decline by about 3 percentage points around the time of the parent's death. They say that this underperformance persists for the corresponding transaction amounts seen too small to generate a prolonged significant impact on the bereaved fund managers.

The bereaved managers' investing behaviour also changes around the time of the parental death as they become less

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APPENDIX 1.1

LIST OF PROGRAMS

2017

1. International Macroeconomics, Money & Banking
2. Corporate Finance
3. Investment Finance
4. Economic Transformation of Asia
5. Accounting
6. ABFER and Central Bank Research Association (CEBRA) session
7. ABFER and Centre for Advanced Financial Research and Learning (CAFRAL) joint session on Finance in India

2016

1. International Macroeconomics, Money & Banking
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2015

1. International Macroeconomics, Money & Banking
2. Corporate Finance
3. Investment Finance
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5. Accounting

2014

1. International Macroeconomics, Money & Banking
2. Corporate Finance
3. Investment Finance

2013

1. International Macroeconomics and Finance, Banking and Financial Regulations
2. Corporate Finance and Economic Growth
3. Capital Markets

APPENDIX 1.2

ABFER: PROMINENT SPEAKERS (2013-2017)

Year	Title	Speakers
2017	Spillovers or Scapegoats? Why Small Countries Should Not Fear Center-Country Monetary and Financial Policy	<ul style="list-style-type: none"> Professor Bernard Yeung (National University of Singapore & ABFER) Professor Andrew K. Rose (University of California, Berkeley & ABFER)
	Economic Impact of Fin-Tech	<ul style="list-style-type: none"> Professor Bernard Yeung (National University of Singapore & ABFER) Mr Piyush Gupta (DBS Group) Mr Eric Jing (Ant Financial Services Group) Mr Sopnendu Mohanty (Monetary Authority of Singapore) Mr Nick Nash (Garena Online)
	Academic Luncheon 2	<ul style="list-style-type: none"> Professor Charles Lee (Stanford University) Professor Bernard Yeung (National University of Singapore & ABFER)
	The Inactivity in Active: A Worrisome Sign of the Times?	<ul style="list-style-type: none"> Professor Joseph Cherian (National University of Singapore) Ms Arisa Kishigami (FTSE Russell) Professor Charles Lee (Stanford University) Mr Percy Wong (GIC Singapore) Mr Hugh Young (Aberdeen Asset Management Asia Limited)
	Joint Dinner for ABFER & AMPF and Keynote Speech	<ul style="list-style-type: none"> Professor Tan Chor Chuan (National University of Singapore & ABFER) Professor Raghuram G. Rajan (The University of Chicago) Professor Steven J. Davis (The University of Chicago & ABFER)
2016	Growth in the Face of Headwinds: What to Do?	<ul style="list-style-type: none"> Professor Steven J. Davis (The University of Chicago & ABFER) Professor Hoon Hian Teck (Singapore Management University) Professor Alan Krueger (Princeton University) Professor Edward Lazear (Stanford University)
	The US Presidential Election and Implications for the World Economy	<ul style="list-style-type: none"> Professor Edward Lazear (Stanford University)
	Long-term Investing with the Ebb and Flow of Low Returns	<ul style="list-style-type: none"> Professor Darrell Duffie (Stanford University & ABFER) Dr Prakash Kannan (Government of Singapore Investment Corporation) Mr Huang Jing (Harvard Center Shanghai) Mr Teo Eng Cheong (Surbana Jurong) Mr Atsushi Yoshikawa (Nomura Holdings) Professor Joseph Cherian (National University of Singapore)
	Fissures in the Global Financial System	<ul style="list-style-type: none"> Professor Kenneth Rogoff (Harvard University & ABFER) Dr Wei Shang-Jin (Asian Development Bank & ABFER)

Year	Title	Speakers
2016	What is Happening to Bond Market Liquidity?	<ul style="list-style-type: none"> Professor Darrell Duffie (Stanford University & ABFER) Professor Allaudeen Hameed (National University of Singapore & ABFER)
	Hayek versus Keynes in the 21st Century	<ul style="list-style-type: none"> Professor Randall Morck (University of Alberta & ABFER) Professor Bernard Yeung (National University of Singapore & ABFER)
2015	Human Capital Development in the Workplace and during the Working Years.	<ul style="list-style-type: none"> Ms Indranee Thurai Rajah (Ministry of Finance & Ministry of Law) Professor Kathryn Shaw (Stanford University) Mr Piyush Gupta (DBS Group Holdings and DBS Bank & ABFER) Professor Steven Davis (The University of Chicago & ABFER)
	Lessons from Serving as the President's Chief Economist	<ul style="list-style-type: none"> Professor Alan Krueger (Princeton University)
	Towards a Sustainable Prosperity in Asia – the Investment Challenges Ahead	<ul style="list-style-type: none"> Mr Danny Yong (Dymon Asia Capital) Mr Lee Kher Sheng (Azentus Capital Management) Mr Rohit Sipahimalani (Temasek International) M. Joud Abdel Majeid (E*TRADE Financial) Ms Alexa Lam J. P (Former Securities and Futures Commission, Hong Kong) Professor Joseph Cherian (National University of Singapore)
	The Global Economy Seven Years After Financial Crisis: Vulnerabilities and Policy Issues	<ul style="list-style-type: none"> Professor Carmen M. Reinhart (Harvard University) Professor Andrew K. Rose (University of California, Berkeley & ABFER)
2014	The Use of Research in Risk Management: Perspectives from Industry Practitioners	<ul style="list-style-type: none"> Mr Elbert Pattijn (DBS Bank) Mr Paul Bernard (TTS Advisors Pte Ltd) Ms Kate Chiew (NTUC Income Insurance Co-Operative Limited) Dr Sung Cheng Chih (Singapore Ministry of Finance, Monetary Authority of Singapore and GIC Private Limited) Professor Bernard Yeung (National University of Singapore & ABFER)
	The Why, What and How of Long-term Investing	<ul style="list-style-type: none"> Dr. Sung Cheng Chih (Singapore Ministry of Finance, Monetary Authority of Singapore and GIC Private Limited)
	Investments in Asia Forum: Has Asia Reached its Full Potential?	<ul style="list-style-type: none"> Mr Timothy Zee (PAG Asia Capital) Dr Michael Syn (Singapore Exchange) Professor Charles Lee (Stanford University) Ms Liew Tzu Mi (GIC Private Limited) Ms Madhabi Puri Buch (Agora Partners) Professor Joseph Cherian (National University of Singapore)

Year	Title	Speakers
2014	What we are learning about Sustainable and Defective Growth Patterns: Experience in Developed and Developing countries	<ul style="list-style-type: none"> Professor Michael Spence (New York University)
	Perspectives on Global Economic Developments: Achieving Growth with Financial Stability	<ul style="list-style-type: none"> Sir Howard Davies (Phoenix Group & ABFER) Mr. Piyush Gupta (DBS Group Holdings and DBS Bank & ABFER) Professor Masaaki Shirakawa (Former Bank of Japan & ABFER) Dr. Duvvuri Subbarao (Former Reserve Bank of India & ABFER) Professor Ilian Mihov (INSEAD & ABFER) Professor Tan Chorh Chuan (National University of Singapore & ABFER) Professor Bernard Yeung (National University of Singapore & ABFER)
	Labor Market Fluidity and U.S. Economic Performance	<ul style="list-style-type: none"> Professor Steven J. Davis (The University of Chicago & ABFER) Professor Bernard Yeung (National University of Singapore & ABFER)
	Human Capital, Labor Markets and Development	<ul style="list-style-type: none"> Professor Chang-Tai Hsieh (The University of Chicago & ABFER) Mr. Hongbin Li (Tsinghua University) Professor Steven J. Davis (The University of Chicago & ABFER)
2013	Governance and Regulations: A New Financial Economic Order for Asia?	<ul style="list-style-type: none"> Mr. Piyush Gupta (DBS Group Holdings and DBS Bank & ABFER) Mr. Andrew Sheng (Fung Global Institute) Mr. Jaspal Bindra (Standard Chartered PLC) Dr Teh Kok Peng (Government of Singapore Investment Corporation Pte Ltd) Professor Randall Morck (University of Alberta & ABFER) Professor Bernard Yeung (National University of Singapore & ABFER)
	Investing In Asia: Research & Practice	<ul style="list-style-type: none"> Mr. Danny Yong (Dymon Asia Capital) Mr. Liew Mun Leong (Capitaland Group and Changi Airport Group) Mr. Manraj S. Sekhon (Fullerton Fund Management) Professor Charles Lee (Stanford Graduate School of Business and Nipun Capital) Mr. Kalpesh Kikani (AION Capital) Professor Joseph Cherian (National University of Singapore)
	Powerful Independent Directors and their influence	<ul style="list-style-type: none"> Professor Randall Morck (University of Alberta & ABFER)
	Inaugural Keynote Speech	<ul style="list-style-type: none"> Mr Ravi Menon (Monetary Authority of Singapore)