

Conference

DSGE Models in the Policy Environment

Hosted by

Banca d'Italia
Economic Outlook and Monetary Policy Department
Via Nazionale 91, Rome

23-24 June 2008

Program

23 June 2008, Morning

Session 1: Transmission Mechanisms in DSGE Models

Chair: Stefano Siviero (Banca d'Italia)

9:15-9:30

Opening address

TBC

9:30-10:15

Credit Frictions and Optimal Monetary Policy

Vasco Curdia (Federal Reserve Bank of New York) and Michael Woodford (Columbia University)

Discussant: Simon Gilchrist (Boston University)

10:15-11:00

Financial Factors in Business Cycles

Lawrence Christiano (Northwestern University and National Bureau of Economic Research), Roberto Motto (European Central Bank) and Massimo Rostagno (European Central Bank)

Discussant: Matteo Iacoviello (Boston College)

11:00-11:30

Coffee Break

11:30-12:15

Credit and Banking in a DSGE Model

Andrea Gerali (Banca d'Italia), Stefano Neri (Banca d'Italia), Federico Signoretti (Banca d'Italia) and Luca Sessa (Banca d'Italia)

Discussant: Oscar Arce (Bank of Spain)

12:15-13:00

A DSGE Model of the Term Structure with Regime Shifts

Gianni Amisano (European Central Bank) and Oreste Tristani (European Central Bank)

Discussant: Paolo Zagaglia (Stockholm University)

13:00-14:30

Buffet Lunch

23 June 2008 , Afternoon

Session 2: Investment, Productivity and the Business Cycle

Chair: Andrea Gerali (Banca d'Italia)

14:30-15:15

The Sources of Fluctuations in Residential Investment: A View from a Policy-Oriented DSGE Model of the US Economy

Rochelle M. Edge (Board of Governors of the Federal Reserve System), Michael Kiley (Board of Governors of the Federal Reserve System), and Jean-Philippe Laforte (Board of Governors of the Federal Reserve System)

Discussant: Alessandro Rebucci (International Monetary Fund)

15:15-16:00

Investment Shocks and Business Cycles

Alejandro Justiniano (Federal Reserve Bank of Chicago), Giorgio Primiceri (Northwestern University) and Andrea Tambalotti (Federal Reserve Bank of New York)

Discussant: Raf Wouters (National Bank of Belgium)

16:00-16:30

Coffee Break

16:30-17:15

News about future technology, endogenous diffusion and fluctuations in the stock market and the economy

Diego Comin (Harvard University), Mark Gertler (New York University) and Ana Maria Santacreu (New York University)

Discussant: Thomas Laubach (Goethe University Frankfurt)

20:00-23:00

Conference Dinner, TBC (by invitation only)

24 June 2008 , Morning

Session 3: Taking DSGE Models to the Data

Chair: Stefano Neri (Banca d'Italia)

9:30-10:15

Incorporating Conjunctural Analysis in Structural Models

Domenico Giannone (European Central Bank, CEPR and Université Libre de Bruxelles),
Francesca Monti (Université Libre de Bruxelles) and Lucrezia Reichlin (European Central
Bank, CEPR and Université Libre de Bruxelles)

Discussant: Günter Coenen (European Central Bank)

10:15-11:00

Optimal Monetary Policy in a Data-Rich Environment

Jean Boivin (HEC Montréal) and Marc Giannoni (Columbia University)

Discussant: Marco Lippi (University of Rome "La Sapienza")

11:00-11:30

Coffee Break

11:30-12:15

***Forming Priors for DSGE Models and How it Affects the Assessment of Nominal
Rigidities***

Marco Del Negro (Federal Reserve Bank of New York) and Frank Schorfheide (University
of Pennsylvania)

Discussant: Giulio Nicoletti (Banca d'Italia)

12:15-13:00

***How Much Do We Learn from the Estimation of DSGE Models? A Case Study of
Identification Issues in a New Keynesian Business Cycle Model***

Nikolay Iskrev (University of Michigan)

Discussant: Massimiliano Pisani (Banca d'Italia)

13:00-15:00

Buffet Lunch

24 June 2008 , Afternoon

**Session 4: Panel Discussion
DSGE Models and Monetary Policymaking**

Chair: Pierpaolo Benigno (LUISS University)

15:00-16:30

Matthew Canzoneri (Georgetown University); Günter Coenen (European Central Bank);
Simon Gilchrist (Boston University); Alessandro Rebucci (International Monetary Fund);
Michael Woodford (Columbia University)