

Message from the director

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Happy 2014!

It's already shaping up to be a productive year in the CAMA community as you can see by the list of working papers and publications below. A recent welcome to the CAMA management committee is the addition of Creina Day from ANU.

There are a range of events coming up that may be of interest as summarized in this newsletter. Of note is the [conference on Judgement and combination in forecasting and policy models](#) co-organized by CAMA RA Simon Price features Lars Peter Hansen and our own (and George Washington's) Tara Sinclair. Early March is also the [SWIM workshop](#) in Auckland.

Vance Martin will be teaching a 3 day course on "CAMA Short Course on Econometrics Methods. The course is open to all. Follow the [web link](#) for further details on fees and course content.

Thanks to those submitting working papers to the CAMA working paper series. If you would like to submit a new working paper please contact your program director or contact CAMA.

Finally, we extend a warm welcome to our new research and doctoral student associates and we look forward to interacting with you in the future.

Renee Fry McKibbin
Director

New working papers

2014

- 17/2014 Coatney KT, Menkhous DJ, Shaffer S, February 2014, [Impacts of a Capacity Advantaged Bidder in Sequential Common Value Auctions: Evidence from the Laboratory](#)
- 16/2014 Lubik TA, Matthes C, February 2014, [Indeterminacy and Learning: An Analysis of Monetary Policy in the Great Inflation](#)
- 15/2014 Kulish M, Pagan A, February 2014, [Estimation and Solution of Models with Expectations and Structural Changes](#)
- 14/2014 Ratti RA, Vespignani JL, February 2014, [Not all international monetary shocks are alike for the Japanese economy](#)
- 13/2014 Ratti RA, Vespignani JL, February 2014, [Commodity Prices and BRIC and G3 Liquidity: A SFAVEC Approach](#)
- 12/2014 Balli F, Rana F, January 2014, [Determinants of risk](#)

About CAMA

[The Centre for Applied Macroeconomic Analysis \(CAMA\)](#) in the Crawford School of Public Policy was established in 2003 to bring together economists working on macroeconomic and financial issues throughout Australia and across the Asia Pacific region. Its objectives are to advance teaching, post-graduate training and research into applied macroeconomic and financial issues. The work of the centre is broad and encompasses all elements pertaining to the analysis of aggregate economic data.

CAMA aims to contribute to macroeconomic research and policy analysis through the region by facilitating the creation of a network of scholars at Universities, Central Banks and Treasuries in the region and internationally who wish to engage in co-operation. These scholars visit the centre at various times.

CAMA Management

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New members

[sharing through remittances: cross-country evidence](#)

- 11/2014 Atkin T, Caputo M, Robinson T, Wang H, January 2014, [Macroeconomic Consequences of Terms of Trade Episodes, Past and Present](#)
- 10/2014 Chan JCC, Koop G, Potter SM, January 2014, [A Bounded Model of Time Variation in Trend Inflation, NAIRU and the Phillips Curve](#)
- 09/2014 Chan JCC, Grant AL, January 2014, [Fast Computation of the Deviance Information Criterion for Latent Variable Models](#)
- 08/2014 Clare A, Seaton J, Smith PN, Thomas S, January 2014, [European Equity Investing through the Financial Crisis: Can Risk Parity, Momentum or Trend Following Help to Reduce Tail Risk?](#)
- 07/2014 Nason JM, Smith GW, January 2014, [Measuring the Slowly Evolving Trend in US Inflation with Professional Forecasts](#)
- 06/2014 Krippner L, January 2014, [Measuring the stance of monetary policy in conventional and unconventional environments](#)
- 05/2014 Tyers R, January 2014, [International Effects of China's Rise and Transition: Neoclassical and Keynesian Perspectives](#)
- 04/2014 Ojima M, Shino J, Ueda K, January 2014, [Buyer-Size Discounts and Inflation Dynamics](#)
- 03/2014 Asako Y, Ueda K, January 2014, [The Boy Who Cried Bubble: Public Warnings against Riding Bubbles](#)
- 02/2014 Kamber G, Theodoridis K, Thoenissen C, January 2014, [News-driven business cycles in small open economies](#)
- 01/2014 Balli F, Basher SA, Rana F, January 2014, [The determinants of the volatility of returns on cross-border asset holdings](#)

2013

- **78/2013** Meeks R, Nelson B, Alessandri P, December 2013, [Shadow banks and macroeconomic instability](#)
- **77/2014** Krippner L, December 2013, [Efficient Jacobian evaluations for estimating zero lower bound term structure models](#)
- **76/2013** Bjørnland HC, Thorsrud LA, December 2013, [Boom or gloom? Examining the Dutch disease in a two-speed economy](#)
- **75/2013** Bhattarai S, Lee JW, Park WY, November 2013, [Inflation Dynamics: The Role of Public Debt and Policy Regimes](#)
- **74/2013** Chan JCC, Hsiao CYL, November 2013, [Estimation of Stochastic Volatility Models with Heavy Tails and Serial Dependence](#)
- **73/2013** Karagedikli O, Ryan M, Steenkamp D, Vehbi T, November 2013, [What happens when the Kiwi flies? The sectoral effects of the exchange rate shocks](#)
- **72/2013** Punnoose Jacob, November 2013, [Deep Habits, Price Rigidities and the Consumption](#)

CAMA research associate recent publications

Climate Change and Energy program

- Blahova, P; **Janda, K** and Kristoufek, L. (forthcoming) "The Perspectives for Genetically Modified Cellulosic Biofuels in the Central European Conditions." *Agricultural Economics*
- Kristoufek, L; **Janda, K** and Zilberman, D. (forthcoming) "Price Transmission between Biofuels, Fuels and Food



Behavioural Macroeconomics and Complexity program:

[Ross A. Hammond](#), The Brookings Institution

Commodities and the Macroeconomy program:

[Samuel Wills](#), University of Oxford

Open Economy Macroeconomics program:

[David Cook](#), Hong Kong University of Science and Technology

[Takayuki Tsuruga](#), Kyoto University

Forthcoming Events



[2014 Southern Workshop in Macroeconomics \(SWIM\)](#)

University of Auckland, 7-8 March 2014

[Domestic and International Dimensions of Unconventional Monetary Policy](#)

Hosts: Hong Kong Monetary Authority and the Federal Reserve Bank of New York Hong Kong, China, 20-21 March 2014

[EABCN Conference on Judgement and combination in forecasting and policy models](#)

Hosts: Bank of England, University College London and CAMA London, 20 - 21 March 2014, London

[CAMA Short Course on Econometrics Methods](#)

Crawford School, ANU, 7-9 April, 2014

[CAMP Workshop on Commodity Price Dynamics and Financialization](#) BI

Norwegian Business School, Wednesday June 25, 2014

Commodities." *Biofuels, Bio-products and Biorefining*

Finance and the Macroeconomy program:

- Glover KJ, **Hambusch G**, (2014) "The trade-off theory revisited: on the effect of operating leverage", *International Journal of Managerial Finance*, Vol. 10 Iss: 1, pp.2 - 22
- Hasan I, **Shaffer S**, Zhou M (forthcoming), "New Small Firms and Dimensions of Economic Performance," *Economic Development Quarterly*
- Qin B and **Shaffer S** (forthcoming), "A Test of Competition in Chinese Banking," *Applied Economics Letters*
- **Morley J**, Lee k, Shields K (forthcoming), "The Meta Taylor Rule" *Journal of Money, Credit, and Banking*

Globalisation and Trade program

- Baldwin, R.E. and **Okubo, T** (2014) "International Trade, Offshoring and Heterogeneous Firms", *Review of International Economics*, 22(1), pp.59-72.
- Baldwin, R.E. and **Okubo, T** (forthcoming) "Networked FDI: Sales and sourcing patterns of Japanese foreign affiliates", *The World Economy*
- Forslid, R and Okubo, T (forthcoming) "Which Firms are Left in the Periphery? Spatial Sorting of Heterogeneous Firms with Scale Economies in Transportation", *Journal of Regional Science*
- Kondo, K and **Okubo, T** (forthcoming) "Interregional Labour Migration and Real Wage Disparities: Evidence from Japan", *Papers in Regional Science*.
- **Okubo, T**, Kimura, F and Teshima, N (forthcoming) "Asian Fragmentation in the Global Financial Crisis", *International Review of Economics and Finance*
- **Okubo, T** and Tomiura, E (forthcoming) "Skew Productivity Distributions and Agglomeration: Evidence from plant-level data", *Regional Studies*.

Macroeconomic Policy Frameworks program:

- **Fujiwara, I.**, and Hirose Y (2014) "Indeterminacy and Forecastability," *Journal of Money, Credit and Banking* 46(1), 243-251.
- Hughes Hallett, A., **Libich, J.**, and Stehlik P. (2014), 'Monetary and Fiscal Policy Interaction With Various Degrees of Commitment', *Czech Journal of Economic and Finance*, 64(1), pp2-29
- Kim, H., **Fujiwara I**, Hansen B and Ogaki M (forthcoming), "Purchasing Power Parity and the Taylor Rule," *Journal of Applied Econometrics*
- **Lenten, L.**, **Libich, J.**, and **Stehlik, P.** (2013), 'Policy Timing and Footballers' Incentives: Penalties Before or After Extra-time? the *Journal of Sports Economics*, 14(6), pp629-655
- **Libich, J.** and **Nguyen, D.**, (2013), 'Macro Meets Micro: Stochastic (Calvo) Revisions in Games', the *B.E. Journal of Theoretical Economics*, 14(1)
- **Makin, A.** (2013) "The Policy (In)effectiveness of Government Spending in a Dependent Economy" *Journal of Economic Policy Reform* 16(3), 287-301.
- **Makin, A.** (2014) "The Paradoxes and Pitfalls of Revived Fiscal Activism" *Economic Affairs* 34(1) 60-68.
- **Makin, A.**, **Narayan, P.** and **Narayan, S.** (2014) "What Expenditure Does Anglosphere Foreign Borrowing Fund?"

[International Conference on Finance, Banking and Regulation](#) Brasilia, Brazil, 16-18 July, 2014

[International Workshop on Game Theory and Economic Applications of the Game Theory Society](#) (Note: 4 Nobel Prizes will be participating in that workshop) Sao Paulo, Brazil, July 25 -31 July, 201

Media



31 January 2014

[A Prominent Economist and Quiet Businessman, Alan Blinder Seeks Lending Revival](#)
The Street

10 February 2014

[Ticky speaks to Warwick McKibbin](#)
The Business

Open Economy Macroeconomics program

- Bailliu J, Dib A, **Kano T**, and Schembri L (2014), Multilateral adjustment, regime switching and real exchange rate dynamics, *North American Journal of Economics and Finance*, 27, 68-87
- Bussiere M, Imbs J, **Kollmann R**, Ranciere R "The Financial Crisis: Lessons for International Macroeconomics", *American Economic Journal: Macroeconomics*, 2013, Vol.5, pp.75-84.
- **Jacob P**, (forthcoming) "Deep Habits, Price Rigidities and the Consumption" , *Journal of Money, Credit and Banking* [CAMA WP 72/2013]
- **Hajzler, C.** and Fielding, D. (2014). "Relative Price Variability and Inflation in a Simple Consumer Search Model." *Economics Letters*, 123 (1): 17-22.
- **Hajzler, C.** (2014), "Resource-based FDI and Expropriation in Developing Economies," *Journal of International Economics*, 92 (1): 124-146.
- Harms, P, **Hoffmann M** and Ortseifer C (forthcoming), "The Home Bias in Equities and Distribution Costs", *Scandinavian Journal of Economics*
- **Kollmann R** "Global Banks, Financial Shocks and International Business Cycles: Evidence from an Estimated Model," *Journal of Money, Credit and Banking*, 2013, Vol. 45(S2), pp. 159-195.
- **Kollmann R**" (forthcoming), "Tractable Latent State Filtering for Non-Linear DSGE Models Using a Second-Order Approximation and Pruning", *Computational Economics*.

Macroeconomic Theory program

- **Lubik T**, "Deep Habits in the New Keynesian Phillips Curve", *Journal of Money, Credit, and Banking*, 46(1), February 2014, pp. 79-114 [CAMA WP9/2012]

Model Uncertainty and Macroeconomics program:

- Eklund J, Kapetanios G and **Price S** (2013), Robust Forecast Methods and Monitoring during Structural Change, *The Manchester School, Special Issue: Structural Breaks and Monetary Policy*, Volume 81, Issue Supplement S3, pages 3–27, October 2013
- Giraitis L, Kapetanios G and **Price S** (2013), Adaptive forecasting in the presence of recent and ongoing structural change, *Journal of Econometrics*, vol. 177(2), pages 153-170.

Books

- D.P. Kroese and **J.C.C. Chan**. *Statistical Modeling and Computation*, Springer, 2014.