Universität Zürich[UZH]

URPP Financial Market Regulation

50th Forum Financial Market Regulation 29 March 2019

The FOMC Risk Shift

This paper presents new evidence on the channels through which asset markets respond to the revelation of monetary policy news. The authors Tim Kroencke (University of Neuchâtel), Maik Schmeling (Goethe University & CEPR) and Andreas Schrimpf (BIS & CEPR) find that a large part of stock market moves around FOMC (Federal Open Market Committee) meetings can be attributed to shocks that are uncorrelated with changes in bond yields but closely linked to changes in investors' attitude towards risk. These price effects are mirrored by investors' portfolio rebalancing decisions, manifesting themselves via economically sizeable shifts in fund flows. Return decompositions coupled with textual analysis suggest that "FOMC risk shifts" are related to changes in short-term uncertainty triggered by FOMC meetings.

Agenda

12:15 p.m.	Welcome Prof. Alexander Wagner (University of Zurich, Dept. of Banking & Finance)
12:20 p.m.	Presentation Dr. Andreas Schrimpf (Senior Economist, Bank for International Settlements)
01:30 p.m.	End of the event

This special seminar is held jointly with the Department of Banking & Finance at the University of Zurich, Plattenstrasse 14, 8032 Zürich.

Date:	Friday, 29 March 2019 12:15 - 01:30 p.m.
Venue:	University of Zurich Main Building Rämistrasse 71 8006 Zurich Room KOL-E-21
Fee:	Attendance is free of charge.
Language:	The talk will be held in English.
Registration:	Please visit our website: www.finreg.uzh.ch/events, or send an e-mail with the above details to forumfinreg@rwi.uzh.ch.

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