



URPP Financial Market Regulation



42nd Forum Financial Market Regulation of 23 March 2018

Safe Asset Shortages: Evidence from the European Government Bond Lending Market

The unique role of the government bond lending market in accessing safe assets during periods of market stress is in the focus of this presentation. Using a novel database, the paper provide evidence that safe assets in the lending market have higher demand, higher borrowing cost, and higher usage of non-cash collateral relative to non-safe assets during stressed market conditions. Moreover, it is found that market participants are able to obtain safe assets using relatively low-quality non-cash collateral, allowing for collateral transformation. These attributes are important since they increase the velocity of safe assets, and hence alleviate the pressure of safe asset shortages. It is shown that policy interventions by central banks can help reduce safe asset shortages by returning sought-after safe assets to the market.

Agenda

- 12:15 p.m. [Welcome](#)
Prof. Alexander Wagner (University of Zurich, Dept. of Banking & Finance)
- 12:20 p.m. [Presentation](#)
Prof. Luc Laeven (Director-General, Research Dept., ECB)
- 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, 23 March 2018
 12:15 - 01:30p.m.

Venue: University of Zurich
 Main Buidling
 Rämistrasse 71
 8006 Zürich
 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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