



Master Seminar

“Current developments in central banking and capital markets”

Summer term 2025

Suggested topics and literature

In confirming your participation to the seminar (via email at: agehrin@uni-goettingen.de), please indicate either **three seminar topics** (chosen from the list below) listed from the most to the least preferred, or your **own suggestion** of a topic related to the seminar. Your own suggestion should sufficiently differ from the topics listed below. If, instead, it happens to be only a slight modification of one of the listed topics, please additionally indicate two other topics of your choice in the descending preference order.

Consider that the literature listed below is indicative and does not necessarily need to be included in your paper. However, it is supposed to be helpful in directing your research efforts.

1. Mission completed: Is the recent inflationary surge over now?

Suggested literature:

Blanchard, O. J., & Bernanke, B. S. (2023). What caused the US pandemic-era inflation? National Bureau of Economic Research, WP 31417.

Borio, C., Hofmann, B., & Zakrajšek, E. (2023). Does money growth help explain the recent inflation surge? Bank for International Settlements, BIS Bulletin No. 67.

Cochrane, J. H. (2022). The fiscal roots of inflation. *Review of Economic Dynamics*, 45, 22-40.

Shapiro, A. H. (2022). Decomposing supply and demand driven inflation. San Francisco: Federal Reserve Bank of San Francisco, WP 2022-18.

Stiglitz, J. E. and Regmi I. (2023). The causes of and responses to today’s inflation. *Industrial and Corporate Change*, 32(2), 336-385.



2. Monetary policy, money printing, and inflation

Suggested literature:

- Belongia, M. T., & Ireland, P. N. (2022). Strengthening the second pillar: a greater role for money in the ECB's strategy. *Applied Economics*, 54(1), 99-114.
- Ireland, P. N. (2023). US Monetary Policy, 2020-23: Putting the quantity theory to the test. *Journal of Applied Corporate Finance*, 35(3), 42-48.
- Pinter, J. (2022). Monetarist arithmetic at COVID-19 time: A take on how not to misapply the quantity theory of money. *Economic Notes*, 51(2), e12200.
- Seidl, C. (2023). Inflation: Thruway of ECB's monetary policy. Christian-Albrechts-University of Kiel, Department of Economics, Economics Working Paper No. 2023-01.
- Grimm, M., Jordà, O., Schularick, M. and Taylor, A.M. (2023), "Loose monetary policy and financial instability", NBER Working Paper No. 30958.

3. Monetary policy and financial (in)stability

Suggested literature:

- Acharya, V. V., Imbierowicz, B., Steffen, S., & Teichmann, D. (2020). Does the lack of financial stability impair the transmission of monetary policy? *Journal of Financial Economics*, 138(2), 342-365.
- Ajello, A., Boyarchenko, N., Gourio, F., & Tambalotti, A. (2022). Financial stability considerations for monetary policy: Theoretical mechanisms. FRB of New York Staff Report, (1002).
- Bernanke, B. S. (2020). The new tools of monetary policy. *American Economic Review*, 110(4), 943-983.
- Drechsler, I., Savov, A., & Schnabl, P. (2022). How monetary policy shaped the housing boom. *Journal of Financial Economics*, 144(3), 992-1021.
- Grimm, M., Jordà, O., Schularick, M. & Taylor, A.M. (2023). Loose monetary policy and financial instability. NBER Working Paper No. 30958.



4. Is there a role for central banks in pursuing green policies?

Suggested literature:

Boneva, L., Ferrucci, G., & Mongelli, F. P. (2022). Climate change and central banks: what role for monetary policy? *Climate Policy*, 22(6), 770-787.

D'Orazio, P., & Popoyan, L. (2022). Realising central banks' climate ambitions through financial stability mandates. *Intereconomics*, 57(2), 103-111.

Gehringer, A. (2022). Seizing power through green monetary policy. Flossbach von Storch Research Institute, Comments 2022.01.05.

Gros, D. & Shamsfakhr, F. (2023). Shades of green monetary policy: Would a green tilt help? European Parliament, Monetary Dialogue Papers, November 2023.

Schoenmaker, D. (2021). Greening monetary policy. *Climate Policy*, 21(4), 581-592.

5. Inflation and asset prices – is there a link?

Suggested literature:

Cieślak, A. & Pflueger, C. (2023). Inflation and asset returns. NBER Working Paper No. 30982.

Leombroni, M., Piazzesi, M., Schneider, M., & Rogers, C. (2020). Inflation and the price of real assets. NBER Working Paper No. 26740.

Paul, P. (2020). The time-varying effect of monetary policy on asset prices. *Review of Economics and Statistics*, 102(4), 690-704.

Plueger, C. (2023). Back to the 1980s or not? The drivers of inflation and real risks in Treasury Bills. NBER Working Paper No. 30921.

Salisu, A. A., Ndako, U. B., & Vo, X. V. (2023). Transition risk, physical risk, and the realized volatility of oil and natural gas prices. *Resources Policy*, 81, 103383.



6. Each banking crisis is different, isn't it?

Suggested literature:

- Aldasoro, I., Borio, C.E., & Drehmann, M. (2018). Early warning indicators of banking crises: expanding the family. *BIS Quarterly Review*, March.
- Beutel, J., List, S., & von Schweinitz, G. (2019). Does machine learning help us predict banking crises? *Journal of Financial Stability*, 45, 100693.
- Bordo, M. D., Redish, A. & Rockoff, H. (2015). Why didn't Canada have a banking crisis in 2008 (or in 1930, or 1907, or...)? *The Economic History Review* 68(1), 218-243.
- Dell'Ariccia, G., Detragiache, E., & Rajan, R. (2008). The real effect of banking crises. *Journal of Financial Intermediation*, 17(1), 89-112.
- Demirgüç-Kunt, A., Pedraza, A., & Ruiz-Ortega, C. (2021). Banking sector performance during the COVID-19 crisis. *Journal of Banking & Finance*, 133, 106305.
- Laeven, L., & Valencia, F. (2020). Systemic banking crises database II. *IMF Economic Review*, 68, 307-361.

7. The role of shadow banking in the modern financial systems

Suggested literature:

- Aramonte, S., Schrimpf, A., & Shin, H. S. (2023). Non-bank financial intermediaries and financial stability (pp. 147-170). Edward Elgar Publishing.
- Botta, A., Caverzasi, E., & Tori, D. (2020). The macroeconomics of shadow banking. *Macroeconomic Dynamics*, 24(1), 161-190.
- Farhi, E., & Tirole, J. (2021). Shadow banking and the four pillars of traditional financial intermediation. *Review of Economic Studies*, 88(6), 2622-2653.
- Nath, R. D., & Chowdhury, M. A. F. (2021). Shadow banking: a bibliometric and content analysis. *Financial Innovation*, 7(1), 68.
- Pellegrini, C. B., Cincinelli, P., Meoli, M., & Urga, G. (2022). The role of shadow banking in systemic risk in the European financial system. *Journal of Banking & Finance*, 138, 106422.



8. Does monetary policy influence bank profitability?

Suggested literature:

- Bats, J. V., Giuliadori, M., & Houben, A. C. (2023). Monetary policy effects in times of negative interest rates: What do bank stock prices tell us? *Journal of Financial Intermediation*, 53, 101003.
- Borio, C., Gambacorta, L. & Hofmann, B. (2017). The influence of monetary policy on bank profitability. *International Finance*, 20(1), 48-63.
- Campmas, A. (2020). How do European banks portray the effect of policy interest rates and prudential behavior on profitability? *Research in International Business & Finance*, 51, 100950.
- Ferrante, F. (2019). Risky lending, bank leverage and unconventional monetary policy. *Journal of Monetary Economics*, 101, 100-127.
- Gehringer, A. (2016). Non-performing loans were not built in a day. FvS Research Institute, Economic Policy Note 28/10/2016, available at: http://www.fvs-ri.com/files/16.10.28_non-performing_loans.pdf.
- Le, T. D., & Ngo, T. (2020). The determinants of bank profitability: A cross-country analysis. *Central Bank Review*, 20(2), 65-73.

9. US dollar dominance

Suggested literature:

- Ahmed, R., Aizenman, J., Saadaoui, J., & Uddin, G.S. (2023). On the effectiveness of foreign exchange reserves during the 2021-22 U.S. monetary tightening cycle. NBER Working Paper No. 30935.
- Arslanalp, S., Eichengreen, B.J., & Simpson-Bell, C. (2022). The stealth erosion of dollar dominance: Active diversifiers and the rise of nontraditional reserve currencies. International Monetary Fund WP/22/58.
- Choi, J., Dang, D.Q., Kirpalani, R., & Perez, D.J. (2024). Exorbitant privilege and the sustainability of US public debt. NBER Working Paper No. 32129.
- Bertaut, C., von Beschwitz, B. and Curcuru, S. (2021). The international role of the U.S. dollar. FEDS Notes, October 6, 2021.
- Gourinchas, P-O. (2019). The dollar hegemon? Evidence and implications for policymakers. The Asian Monetary Policy Forum, pp. 264-300.
- Obstfeld, M., & Zhou, H. (2023). The global dollar cycle. NBER Working Paper No. 31004.



10. Is there a global financial cycle?

Suggested literature:

- Boehm, C.E., & Kroner, N.T. (2023). The US, economic news, and the global financial cycle. NBER Working Paper No. 30994.
- Cerutti, E., Claessens, S., & Rose, A. K. (2019). How important is the global financial cycle? Evidence from capital flows. *IMF Economic Review*, 67(1), 24-60.
- Goldberg, L.S., & Krogstrup, S. (2023). International capital flow pressures and global factors. NBER Working Paper No. 30887.
- Han, X. & Wei, S-J. (2018). International transmissions of monetary shocks: between a trilemma and a dilemma. *Journal of International Economics*, 110, 205-219.
- Jordà, Ò., Schularick, M., Taylor, A. M., & Ward, F. (2019). Global financial cycles and risk premiums. *IMF Economic Review*, 67(1), 109-150.
- Rey, H. (2013). Dilemma not trilemma: the global financial cycle and monetary independence. Proceedings of the 2013 Federal Reserve Bank of Kansas City Economic Symposium at Jackson Hole, pp. 285-333.

11. Credit boom-bust cycles and their economic implications

Suggested literature:

- Barrell, R., Karim, D., & Macchiarelli, C. (2020). Towards an understanding of credit cycles: do all credit booms cause crises? *European Journal of Finance*, 26(10), 978-993.
- Battiati, C. (2019). R&D, growth, and macroprudential policy in an economy undergoing boom-bust cycles. *Journal of Macroeconomics*, 59, 299-324.
- Dong, F., & Xu, Z. (2020). Cycles of credit expansion and misallocation: The Good, the Bad and the Ugly. *Journal of Economic Theory*, 186, 104994.
- Gordon, G., & Ordonez, G. (2016). Good booms, bad booms. NBER Working Paper No. 22008.
- Lombardi, M.J., Mohanty, M., & Shim, I. (2017). The real effects of household debt in the short and long run. BIS Working Papers No. 607.
- Männasoo, K., & Meriküll, J. (2020). Credit constraints and R&D over the boom and bust: Firm-level evidence from Central and Eastern Europe. *Economic Systems* 44(2), 100747.



12. Active versus passive investment strategy and market outperformance

Suggested literature:

- Anderson, C. (2017). The passive vs. active conundrum: a new perspective on the arithmetic of index investing. Christopher Edward Anderson, Working Paper, *mimeo*.
- Cremers, M., Ferreira, M. A., Matos, P., & Starks, L. (2016), "Indexing and active fund management: international evidence. *Journal of Financial Economics*, 102(3), 539-560.
- Cremers, M., & Pareek, A. (2016). Patient capital outperformance: the investment skill of high active share managers who trade infrequently. *Journal of Financial Economics*, 122(2), 288-306.
- Gehringer, A., & Lehmann, K. (2023). Active versus passive: In the bond universe. *Journal of Beta Investment Strategies*, 14(4).
- Gehringer, A., & Lehmann, K. (2018). Active versus passive: What really matters for bonds. Flossbach von Storch Research Institute, Society & Finance No. 27/12/2018.
- Gehringer, A., & Lehmann, K. (2017). Abseits des Zufalls. Flossbach von Storch Research Institute, Marktverhalten No. 21/9/2017, available at: http://www.fvs-ri.com/files/17.09.21_abseits_des_zufalls.pdf.