



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](mailto: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:*

- Ascari, G., Bonam, D., & Smadu, A. (2024). Global supply chain pressures, inflation, and implications for monetary policy. *Journal of International Money and Finance*, 142, 103029.
- 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.
- Tillmann, P. (2024). The asymmetric effect of supply chain pressure on inflation. *Economics Letters*, 235, 111540.



## 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.
- Grimm, M., Jordà, O., Schularick, M. and Taylor, A.M. (2023). Loose monetary policy and financial instability. NBER Working Paper No. 30958.
- 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. *Journal of Economic Analysis*, 2(1), 1-15.
- Wang, G., & Hausken, K. (2024). Hard money and fiat money in an inflationary world. *Research in International Business and Finance*, 67, 102115.

## 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).
- Bauer, M. D., Bernanke, B. S., & Milstein, E. (2023). Risk appetite and the risk-taking channel of monetary policy. *Journal of Economic Perspectives*, 37(1), 77-100.
- 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.
- Istrefi, K., Odendahl, F., & Sestieri, G. (2023). Fed communication on financial stability concerns and monetary policy decisions: Revelations from speeches. *Journal of Banking & Finance*, 151, 106820.



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

*Suggested literature:*

- Bartocci, A., Notarpietro, A., & Pisani, M. (2024). “Green” fiscal policy measures and nonstandard monetary policy in the euro area. *Economic Modelling*, 136, 106743.
- 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.
- Ferrari, A., & Landi, V. N. (2024). Whatever it takes to save the planet? Central banks and unconventional green policy. *Macroeconomic Dynamics*, 28(2), 299-324.
- 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.
- Israel, K. F., & Schnabl, G. (2024). Alternative measures of price inflation and the perception of real income in Germany. *The World Economy*, 47(2), 618-636.
- 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.
- Pflueger, 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.
- Bitter, L. (2024). Banking crises under a central bank digital currency (CBDC). *Jahrbücher für Nationalökonomie und Statistik*, (0).
- 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.
- Caglio, C., Dlugosz, J., & Rezende, M. (2023). Flight to safety in the regional bank crisis of 2023. Available at SSRN, 4457140.
- 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.
- Mateev, M., Sahyouni, A., & Al Masaeid, T. (2024). Bank performance before and during the COVID-19 crisis: Does efficiency play a role? *Review of Managerial Science*, 18(1), 29-82.

## 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.
- Hodula, M., & Libich, J. (2023). Has monetary policy fueled the rise in shadow banking?. *Economic Modelling*, 123, 106278.
- Jiang, B. (2024). The real effect of shadow banking regulation: Evidence from China. *Emerging Markets Review*, 59, 101087.



Nath, R. D., & Chowdhury, M. A. F. (2021). Shadow banking: a bibliometric and content analysis. *Financial Innovation*, 7(1), 68.

Nica, I., Delcea, C., Chiriță, N., & Ionescu, Ș. (2024). Quantifying impact, uncovering trends: a comprehensive bibliometric analysis of shadow banking and financial contagion dynamics. *International Journal of Financial Studies*, 12(1), 25.

Ozgur, G. (2023). The cross-border interconnectedness of shadow banking. *Economic Modelling*, 126, 106386.

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.

De Grauwe, P., & Ji, Y. (2023). *Monetary policies without giveaways to banks*. Centre for Economic Policy Research.

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](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.

Sharifi Bagha, F., Haghighat, J., & Karimi Takanlou, Z. (2023). The impact of monetary policy shocks from the exchange rate channel on the health of Iran's banking system. *Monetary & Financial Economics*, 30(25), 99-134.



## 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.
- Akinci, O., Benigno, G., Pelin, S., & Turek, J. (2024). The dollar's imperial circle. *IMF Economic Review*, 72(2), 653-700.
- 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.
- Gagnon, J. E., & Sarsenbayev, M. (2023). Dollar not so dominant: Dollar invoicing has only a small effect on trade prices. *Journal of International Money and Finance*, 137, 102889.
- Georgiadis, G., Müller, G. J., & Schumann, B. (2024). Global risk and the dollar. *Journal of Monetary Economics*, 144, 103549.
- Gerding, F., & Hartley, J. S. (2024). De-dollarization? Not so fast. *Economics Letters*, 238, 111665.
- Gourinchas, P-O. (2019). The dollar hegemon? Evidence and implications for policymakers. The Asian Monetary Policy Forum, pp. 264-300.
- Jiang, Z., Krishnamurthy, A., & Lustig, H. (2024). Dollar safety and the global financial cycle. *Review of Economic Studies*, 91(5), 2878-2915.
- Kuehnlenz, S., Orsi, B., & Kaltenbrunner, A. (2023). Central bank digital currencies and the international payment system: The demise of the US dollar? *Research in International Business and Finance*, 64, 101834.
- Obstfeld, M., & Zhou, H. (2023). The global dollar cycle. NBER Working Paper No. 31004.
- Pettis, M. (2024). Will the Chinese renminbi replace the US dollar? In *Dollar Hegemony* (pp. 57-70). Edward Elgar Publishing.



## 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.
- Converse, N., Levy-Yeyati, E., & Williams, T. (2023). How ETFs amplify the global financial cycle in emerging markets. *The Review of Financial Studies*, 36(9), 3423-3462.
- 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.
- Scheubel, B., Stracca, L., & Tille, C. (2024). The global financial cycle and capital flows: Taking stock. *Journal of Economic Surveys*, forthcoming.
- Wang, X., & Liu, Q. (2023). Can the global financial cycle explain the episodes of exuberance in international housing markets? *Finance Research Letters*, 52, 103366.

## 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., & Ordóñez, G. (2016). Good booms, bad booms. NBER Working Paper No. 22008.





Ivashina, V., Kalemli-Özcan, Ş., Laeven, L., & Müller, K. (2024). *Corporate debt, boom-bust cycles, and financial crises*. National Bureau of Economic Research Working Paper No. w32225.

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.

Ulussever, T., & Kilinc, M. (2024). Credit market developments and sectoral business cycles worldwide. *Macroeconomic Dynamics*, 28(1), 147-203.

## 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*.

Buss, A., & Sundaresan, S. (2023). More risk, more information: How passive ownership can improve informational efficiency. *The Review of Financial Studies*, 36(12), 4713-4758.

Cong, L. W., Huang, S., & Xu, D. (2024). The rise of factor investing. National Bureau of Economic Research Working Paper No. w32016.

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.

Dong, T., Eugster, F., & Vazquez, A. B. (2024). Passive investors and audit quality: Evidence from the US. *European Accounting Review*, 33(3), 965-993.

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](http://www.fvs-ri.com/files/17.09.21_abseits_des_zufalls.pdf).

Haddad, V., Huebner, P., & Loualiche, E. (2025). How competitive is the stock market? theory, evidence from portfolios, and implications for the rise of passive investing. *American Economic Review*, 115(3), 975-1018.



Koijen, R. S., Richmond, R. J., & Yogo, M. (2024). Which investors matter for equity valuations and expected returns?. *Review of Economic Studies*, 91(4), 2387-2424.

Palia, D., & Sokolinski, S. (2024). Strategic borrowing from passive investors. *Review of Finance*, 28(5), 1537-1573.