

# XIII Meeting of Heads of Financial Stability

CEMLA / Mexico City  
July 11-12, 2023

Tuesday

**11**  
JULY  
**2023**

(UTC - 6)

09:00 – 09:30

**Opening remarks**

Dr. Manuel Ramos Francia, Director General, CEMLA

09:30 – 11:00

**Keynote address — Deposit markets and financial stability**

**Chair:** Matias Ossandon Busch, Director of Financial Stability, CEMLA

**Speaker:** Prof. Elena Loutskina, Professor of Business Administration, Darden School of Business, University of Virginia

11:00 – 11:30

**Coffee break**

**Day 1 — Regime switch: Implications of the new economic environment for financial stability**

Since the outbreak of the Covid-19 crisis and the ensuing hike in uncertainty due to geopolitical tensions and uneven recovery paths, the economic environment has changed dramatically. The era of low interest rates and tamed inflation has come to an end. Market participants, households, and corporates, as well as financial institutions, are struggling to adapt their strategies to hedge the risks arising from higher interest rates and an uncertain outlook on a looming recession. These developments give rise to new challenges to financial stability which will be discussed in this session.

The increase in policy rates in the past and current year is necessary to curb inflation but may pose additional risks to financial stability. The restrictive stance of monetary policy necessitates to re-think the interactions between monetary and financial policies. Domestic as well as foreign inflation dynamics cause spillovers on financial cycles and credit markets. Moreover, the mechanisms in place differ drastically between advanced and emerging market economies. The two panel discussions address these challenges from a regional and international perspective.

Tuesday

**11**  
JULY  
**2023**

(UTC - 6)

11:30 – 13:00 **Panel session 1 – Domestic inflation dynamics and financial policies in advanced and emerging economies**

**Chair:** Carola Müller, Senior Economist, *CEMLA*

**Speakers:**

Gilneu Francisco Astolfi Vivan, Head of Financial System Monitoring Department, *Banco Central do Brasil*

Javier Mencía, Head of Macroprudential Policy Division, *Banco de España*

13:00 – 14:00 **Lunch break**

14:00 – 15:30 **Panel session 2 – Cross-border implications of the new global economic environment in advanced and emerging economies**

**Chair:** Matias Ossandon Busch, Director of Financial Stability, *CEMLA*

**Speakers:**

Fabrizio López Gallo Dey, Director of Financial Stability, *Banco de México*

Jorge Ponce, Head of Economic Research, *Banco Central del Uruguay*

Livio Stracca, Deputy Director General Macroprudential Policy and Financial Stability, *European Central Bank*

15:30 **End of day 1**

19:00 **Dinner (by invitation)**

Wednesday

**12**  
JULY  
**2023**

(UTC - 6)

## Day 2 — Asset price fluctuations and financial stability

Asset markets of emerging economies have shown increasing signs of volatility in the recent past. Higher policy rates in the U.S. and a continued high level of uncertainty have caused reevaluations of international capital flows. Bond markets reignited after a prolonged period of low yields. Further, the dollar has strengthened against a broad set of currencies. The session discusses the implications of these developments for the financial situation in local economies.

09:00 – 09:30

### **Kick-off: Leaning against the Global Financial Cycle**

Livio Stracca, Deputy Director General Macroeprudential Policy and Financial Stability, *European Central Bank*

09:30 – 11:00

### **Panel session 3 – Uncertainty in domestic asset markets**

**Chair:** Peter Karlström, Senior Economist, *CEMLA*

#### **Speakers:**

Rodrigo Alfaro, Head of Financial Research Division, *Banco Central de Chile*

Paul Castillo, Director of Monetary Operations and Financial Stability, *Banco Central de Reserva del Perú*

Carlos Quicazán, Director of Financial Stability, *Banco de la República*

11:00

### **End of online transmission**

11:00 – 11:30

### **Coffee break**

11:30 – 12:55

### **Roundtable on emerging challenges for financial stability**

**Chair:** Dr. Manuel Ramos Francia, Director General, *CEMLA*

12:55 – 13:00

### **Closing remarks**

Matias Ossandon Busch, Director of Financial Stability, *CEMLA*

13:00

### **End of day 2**