



# Policy Responses to Commodity Price Movements

April 6–7, 2012

Istanbul, Turkey

(Conference organized by the Central Bank of the Republic of Turkey and the  
International Monetary Fund)

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## Friday, April 6, 2012

8:00–8:45 am Registration

8:45–9:00 am Welcoming Remarks — Erdem Basci (CBRT)

9:00–10:30 am **Session 1: Commodity Prices and Responses of Monetary and Fiscal  
Policies**

Chair: Pierre-Olivier Gourinchas (University of California, Berkeley)

### **Commodity Price Movements in a General Equilibrium Model of Storage**

David Arseneau (Federal Reserve Board) and Sylvain Leduc (Federal  
Reserve Bank of San Francisco)

*Discussant: Raf Wouters (National Bank of Belgium)*

### **Monetary Rules for Commodity Traders**

Luis Catão (IMF) and Roberto Chang (Rutgers University)

*Discussant: Stefan Laseen (Riksbank)*

10:30–10:45 am

\*\*\*Coffee Break\*\*\*

**10:45–12:15 pm Session 2: Monetary Policy and Commodity Price Inflation**

Chair: Hakan Kara (CBRT)

**Monetary Policy Responses to Oil Price Fluctuations**

Martin Bodenstein (Asian Development Bank), Luca Guerrieri (Federal Reserve Board) and Lutz Kilian (University of Michigan)

*Discussant: Giovanni Lombardo (European Central Bank)*

**Optimal Devaluations**

Constantino Hevia (World Bank) and Juan Pablo Nicolini (Universidad Di Tella and Federal Reserve Bank of Minneapolis)

*Discussant: Tommaso Monacelli (Università Bocconi)*

**12:15–1:45 pm**

**\*\*\*Lunch Break\*\*\***

**2:00–4:15 pm**

**Session 3: Managing Commodity Price Shocks**

Chair: Thomas Helbling (IMF)

**Oil Price Uncertainty in a Small Open Economy**

Yusuf Soner Başkaya (Central Bank of the Republic of Turkey), Timur Hülagü (Central Bank of the Republic of Turkey), and Hande Küçük (Central Bank of the Republic of Turkey)

*Discussant: Gianluca Benigno (LSE)*

**How to Spend a Windfall – Dealing with Volatility and Capital Scarcity**

Ton S. van den Bremer (University of Oxford) and Frederick van der Ploeg (University of Oxford)

*Discussant: Kamil Yilmaz (Koç University)*

**Public Investment in Resource Abundant Low-Income Countries**

Andrew Berg (IMF), Rafael Portillo (IMF), Shu-Chun S. Yang (IMF), and Luis-Felipe Zanna (IMF)

*Discussant: Gulcin Ozkan (University of York)*

**4:15–4:30 pm**

**\*\*\*Coffee Break\*\*\***

**4:30–6:00 pm**     **KEYNOTE ADDRESS: “Commodity Prices, Monetary Policy and Inflation”**

José De Gregorio (Universidad de Chile)

**Introduction by** Turalay Kenç (CBRT)

## **Saturday, April 7**

**8:30–9:00 am**     **Registration**

**9:00–11:15 am**     **Session 4: Dynamics of Commodity Prices**

Chair: M. Ayhan Kose (IMF)

### **The Changing Relationship Between Commodity Prices and Prices of Other Assets with Global Market Integration**

Barbara Rossi (ICREA, UPF, CREI and Duke University)

*Discussant: Domenico Giannone (Université Libre de Bruxelles – ECARES)*

### **Do Financial Investors Destabilize the Oil Price?**

Marco J. Lombardi (European Central Bank) and Ine Van Robays (Ghent University)

*Discussant: Sandra Eickmeier (Bundesbank)*

### **On the Sources and Consequences of Oil Price Shocks: The Role of Storage**

Deren Unalmis (Central Bank of the Republic of Turkey), Ibrahim Unalmis (Central Bank of the Republic of Turkey) and D. Filiz Unsal (IMF)

*Discussant: Roland Straub (European Central Bank)*

**11:15–11:30 am**

**\*\*\*Coffee Break\*\*\***

**11:30–1:00 pm    Session 5: Commodity Prices and Macroeconomic Outcomes**

Chair: Mehmet Yörükoğlu (CBRT)

**Inflation Responses to Commodity Price Shocks - How and Why Do Countries Differ?**

Gaston Gelos (IMF) and Yulia Ustyugova (IMF)

*Discussant: Marcel Fratzscher (European Central Bank)*

**Macroeconomic Performance During Commodity Prices Booms**

Luis Felipe Céspedes (UAI) and Andres Velasco (Columbia University)

*Discussant: Silvana Tenreyro (LSE)*

**1:00–2:30 pm**

**\*\*\*Lunch Break\*\*\***

**2:45–4:45pm    Policy Panel: Policy Responses to Commodity Price Movements**

**Moderator:** Olivier Blanchard (IMF)

**Panelists:**

1. Erdem Basci (Central Bank of the Republic of Turkey)
2. Hiroshi Nakaso (Bank of Japan)
3. Carlos Hamilton Araujo (Central Bank of Brazil)

**Conference Program Committee:** Pierre-Olivier Gourinchas (University of California at Berkeley and Editor of the IMF Economic Review), Thomas Helbling (IMF), A. Hakan Kara (CBRT), and M. Ayhan Kose (IMF)

**Conference Coordinators:** Tracey Lookadoo (IMF) and Ercan Tanrisal (CBRT)

**Venue:** The Marmara Taksim Hotel, Istanbul