

Report on the 15th Carroll Round Conference

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Summary

The Carroll Round, hosted by Georgetown University, is in its 15th year. It brings together exceptional undergraduate students to present on their papers and ideas in international economics.

My personal experience across the four days was that it was an excellent opportunity for undergraduate researchers to connect, network and debate and share their ideas in an academic setting. The undergraduate researchers were of an extremely high calibre: there was a diverse representation, with the participants going on to academia, high finance and public service.

To any Warwick undergraduates reading this, I highly recommend you apply for this. It is a great way to broaden your knowledge, network and is an exciting way to cap off your 3 year degree. It has been a truly unforgettable experience for me.

I would like to express my thanks to Dr Alexander Karalis Isaac for his invaluable guidance, and Dr. Gianna Boero for her endorsing my application.



The 15th Carroll Round Group

Thursday

Misi, Mike and I flew into Washington-Dulles Airport in the afternoon and travelled into Washington by Metro. We were greeted by the steering committee, and were given a short tour of the surrounding area culminating in a Mediterranean Lunch.

Orientation followed, in which Dean Kaneda briefed us on the history of the Round. In its 15th year, the initial idea was to provide a platform for economics to be discussed, as its founder had experienced the open-discussion environment at Oxford in his year abroad and wished to bring it to Georgetown. Grace Kim, part of the steering committee, then brought up logistics such as how to reach the university, across the river from the Marriott where we put up at.

What followed was a brief networking session at the hotel lobby, where I got to meet the participants. They were extremely motivated and well-versed in their papers and specialisations. Participants were a mix from the US, UK, Sweden and as far away as Qatar (where Georgetown has a campus).

Friday

The day started at 7.45 am sharp where we took a shuttle to the university. A brief breakfast was presented, followed by the morning's first sessions. I attentively listened to a presentation on the effects of monetary policy on the UK yield curve and the various determinants of bank risk (systemic, systematic and others).

This was followed by a meal at May Thai. I was pleasantly surprised by the American-sized portions.

The afternoon session involved a presentation investigating how a new model of consumption could better explain the empirical observations from the Bush-era tax breaks, which both models of credit constraints and forward-looking consumers had failed to explain so far. I particularly enjoyed a following paper on how excess returns and high Sharpe ratios from the carry trade can be explained by a model of beliefs and differing consumption growth.

We were then ushered into a video-conference with Dr. Eugene Fama, the Nobel Prize winner. I was particularly struck by his statement that while a proponent of the efficient markets hypothesis, markets were never fully efficient and there would be always some people able to have outperformance. This is contrary to what I believed the Chicago school's position was. However, as a zero-sum game active management does not warrant as much fees and money as it has historically charged. I felt very fortunate to have the opportunity to ask him questions regarding the predictability of excess stock market returns from corporate bond spreads, and lessons for the individual investor.

We were then walked over to the Le Meridien for a formal dinner with the Carroll Round's sponsors. A speech by Dr. Daniel Kaufmann, formerly of the World Bank, provided a sobering insight into the effects of corruption, in its various forms, on growth and inequality.

Saturday

The morning's papers included a discussion on the effects of oil prices on US political clout, as evidenced by the dynamics of voting in the United Nations General Assembly. Following from this, a paper covering the effect of the Hong Kong-Shanghai Stock Exchange Connect program was presented. As the discussant of this paper, I found it highly pertinent as it was a means of observing investor expectations in the wake of the Chinese equity market bubble and had a series of robust tests finding that the effects were indeed counter-intuitive: A/H share premiums persisted as a result of a lack of credibility on the part of policymakers.

I then delivered my paper on titled "Do equity markets incorporate bond market expectations?" I found the ensuing discussion adding a lot of value to my current work, including the difficulty of the joint efficient markets test. I found it very enjoyable and was very pleased to have the opportunity to present my work at such a distinguished conference.

Lunch was held at the Tombs, a popular pub near the Georgetown campus.

A flurry of papers followed in the afternoon, focusing on environmental economics. There were papers on the signalling effects of being green and the effect of energy saving on electricity rationing regimes in Brazil. Thus, the conference formally ended.

A keynote speech by Dr. Rodney Ludema, Chief Economist of the State Department followed. It was interesting to see how economic methods and techniques could be used to inform policy and infer the costs and benefits of state action.

During the ensuing break, a group of us managed to head to the national monument to see the White House. We met for an informal gathering at Pinstripes, a bowling alley.

Sunday

Sunday morning was a late start following the exertion at last night's events. The final meeting was held at the School of Foreign Service, where awards for best participant, presenter and the Kaneda prize were handed out. It was a truly inspiring and insightful event, it being my first time in the States.

We said our goodbyes and headed for Washington-Dulles Airport for the afternoon flight back to Heathrow.