Important Information

- TA: Masao Fukui (<fukui@mit.edu>)
- Grade: 2 psets (25% each), quiz 50% (April 1st)
- Lectures and recitations: Live-Zoom

1 Introduction: Asset Markets and Macroeconomic Policy


2 Macrofinance Models/Benchmark

2.1 Main readings


2.2 Other readings


10. Khorrami, P. and F. Mendo, “Where there is amplification, there are sunspots,” Imperial College working paper, March 2021

3 Risk-centric Models, Speculation, and “Monetary Policy”

3.1 Risk-centric Macro

3.1.1 Main readings


3.1.2 Other readings


3.2 Transmission Lags, Disagreements, and Monetary Policy Shocks

3.2.1 Main readings

1. Caballero R.J., and A. Simsek, “Monetary Policy and Asset Price Overshooting: A Rationale for the Wall/Main Street Disconnect,” MIT mimeo, August 2020

3. **Masao’s recitation**


3.2.2 **Other readings**


4 Safe Assets and Leverage

4.1 On the scarcity of safe assets, safety traps, and leverage

4.1.1 Main readings


4.1.2 Other readings


4.2 Convenience yield and the private production of safe assets


5 Optimism ("over-confidence")

5.1 Main readings


5.2 Other readings


6 Pessimism ("under-confidence")

6.1 Main readings
6.2 Other readings


