Financial Advisory Roundtable meeting

June 16 2017

Proposed Agenda

How has Market Liquidity Changed after the Financial Crisis?

1. Has market liquidity changed since the financial crisis?
    a. How can we best measure/observe changes in market liquidity over time?
    b. Do you see differential trends in liquidity across markets, i.e., has liquidity improved in some markets but deteriorated in others?
    c. Has the liquidity of derivatives markets evolved differently than the liquidity of the associated cash-product markets?
    d. Have changes in the liquidity of secondary markets impacted the liquidity of the associated primary markets?

2. Are post-crisis regulatory reforms having significant effects on market liquidity? If so, which regulations play the largest role? What other factors have affected market liquidity? For example, what role (if any) has been played by:
    a. Growth in high-frequency trading in some markets
    b. Evolution in the structure of the asset management industry, such as the growth of exchange-traded funds and index funds
    c. Large-scale asset purchases by the Federal Reserve

3. How has the nature of the liquidity provision changed?
    a. Do you see more non-traditional institutions providing market liquidity?
    b. If so, do you expect them to continue to provide liquidity during periods of stress in the market?

4. Are there markets in which the relationship between funding liquidity and market liquidity has changed substantially since the crisis? Why?

5. Does the current market liquidity landscape pose challenges for market functioning, financial stability and/or for the transmission of monetary policy?
    a. What private market innovations would have the potential to improve market liquidity?
    b. What policy actions, if any, would be appropriate?