

Institute for Mathematical Sciences  
**Distinguished Visitor  
Lecture Series**

Finance and Risk Management Cluster  
**Interdisciplinary Speaker Series**

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**Redesigning Over-the-Counter  
Financial Markets  
(Part I & II)**

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**24 and 25 July 2018**  
**9.00 – 10.00am, IMS Auditorium**  
**3 Prince George's Park, Singapore 118402**



**Darrell Duffie**

Stanford University Graduate School of Business

**About the talk**

This series of lectures focuses on the theory and practice of dealer-intermediated over-the-counter markets, and is relevant to recent issues in the design and regulation of financial markets. Significant increases in the regulatory capital and liquidity requirements of bank-affiliated dealers, combined with increased debt funding costs for their shareholders, have dampened the liquidity of over-the-counter markets. This is especially the case for products that occupy a lot of space on dealer balance sheets, such as bonds, swaps, repos, and foreign exchange contracts. Dealers have reduced their market-making inventories and are offering less liquid two-way markets for asset classes whose capital or funding requirements are large relative to their riskiness and intermediation profits.

**About the speaker**

Darrell Duffie is the Dean Witter Distinguished Professor of Finance at the Stanford Graduate School of Business, and a Fellow of the American Academy of Arts and Sciences. He was an Independent Director of Moody's Corporation in 2008 – 2018. He is considered by many to be one of the most influential financial economists in the world today. He has developed the modern toolkit of term structure and credit modeling, which stands out for its immense practicality. He was President of the American Finance Association in 2009, Chair of the international Financial Stability Board's Market Participants Group on Reference Rate Reform in 2013 – 2017, and the Fisher-Shultz Lecturer at the World Congress of Econometric Society in 2015.