

Investor Advisory Committee on Financial Markets

Chairman: William Dudley

33 Liberty Street, 10th Floor

New York, NY 10045

Monday, July, 21 2014; 10:00am – 1:00pm

Meeting Agenda

Monetary Policy

- What are your views on the domestic labor market and inflation outlook? Given these views, what is your assessment of the appropriate stance of monetary policy?
- What are your expectations for the eventual normalization of the stance and conduct of domestic monetary policy? What do you expect in terms of tools, sequence, and timing?
- What do you see as the most significant risks associated with domestic monetary policy? How do you judge the assessment of global monetary policy in the BIS's Annual Report? How do you think financial stability considerations should factor into the setting of monetary policy?

Financial Market Developments

- What are the drivers of the historically-low levels of realized and implied volatility across financial markets? Are investors sufficiently factoring in uncertainty about future economic and policy outcomes?
- How have investors responded to the low levels of volatility? What impact is this having on asset valuations? In which markets are the effects most pronounced?
- What are the risks associated with the low levels of volatility? In what ways are these risks likely to change over time if volatility remains low? What are the likely consequences for investors if and when volatility increases?

Financial Landscape

- Do dark pools affect markets? If so, how? Do dark pools pose systemic risks?
- What is your assessment of maturity transformation and financial intermediation occurring in the non-bank financial sector? How has regulation enacted since the financial crisis impacted intermediation outside the regulated arena? What risks does this pose? Is it changing investment behavior?