

The Chair of Corporate Finance and Governance organizes a research seminar in finance on

Monday, November 20th, 2017, 5:15pm-6.45pm

Room PER C130

**Christophe PERIGNON**  
(HEC-Paris)

## **"The Private Production of Safe Assets"**

Abstract: Do claims on the private sector serve the role of safe assets? We answer this question using high-frequency panel data on prices and quantities of certificates of deposit (CD) and commercial paper (CP) issued in Europe. We show that only very short-term private securities benefit from a premium for safety. Using several identification strategies, we show that the issuance of short-term CDs, but not of CPs, strongly responds to measures of safety demand. The private production of safe assets is stronger for issuers with high credit worthiness, and breaks down during episodes of market stress. We conclude that even very short-term private assets are sensitive to changes in the information environment and should not be treated as equally safe at all times.

**The research seminar is open to all interested persons**