Cost of Laughing Rises

The wholesale price of a dozen rubber chickens shot up to $78 in 2012, an 8-percent increase from last year and a 53-percent increase since 2009, according to the Cost of Laughing Index, compiled by the Kushner Group. Kushner said some experts believe the rubber chicken crisis is already having effects on "climate change" — "from a climate of loud laughter to one of silent tension."

China Publishes Draft Rules to Improve IPO Mechanism

The China Securities Regulatory Commission (CSRC) published draft rules aimed at increasing the liquidity of newly-listed shares and monitoring pricings for initial public offers in an attempt to curb speculative trading and regain investor confidence. CSRC plans to scrap the three-month lock-up period for institutional investors in domestic initial public offerings and increase the scrutiny of IPOs that are priced at more than 25 percent above the comparable value of industry peers.

Three Major Banks Prepare for Possible Credit Downgrades

As reported in DealBook, Moody's Investor Service may lower Morgan Stanley's rating by three notches to a level well below the rating of rivals like JPMorgan Chase and Goldman Sachs. Bank of America and Citigroup may also be downgraded to the same level as Morgan Stanley. The three banks have already said that they would have to put up billions of dollars more in collateral to back trading contracts.

MARK YOUR CALENDARS

Events this week:

- “Lawyering in the Emerging Markets,” Yvonne Chan (Partner, Paul Weiss), Juan Mendez (Partner, Simpson Thacher), and Inosi Nyatta (Partner, Sullivan & Cromwell), 4/2, 12pm, Room 122
- "Global Infrastructure Investments," Adebayo Ogunlesi, Chairman and Managing Partner, Credit Suisse Global Infrastructure Partners, 4/4, 12.10pm, Room 128
- "Trade Secrets, Non-Competes, and Investor Mobility: Empirical Evidence," 4/5, 12:15pm – 2pm, Room 111

Events next week:

- "Careers at Technology Companies and Startups," Leah Belsky, Vice President and General Manager, EMEA, Kaltura; Jared Grusd, General Counsel, Spotify; Sander Daniels, Co-Founder and Director of Business Development, Thumbtack, Inc., 4/10, 4:10 p.m., Room 120
- “Asia Opportunities: Building Careers in China, Japan and Beyond,” 4/12, 12pm, Room 111

How to Prevent a Financial Overdose

As NYTimes reports, two professors at the University of Chicago, Eric A. Posner, a law professor, and E. Glen Weyl, an assistant professor in economics, argue that regulators should approach financial products the way the F.D.A. approaches new drugs. The potential dangers of financial instruments, they argue, “seem at least as extreme as the dangers of medicines.”

They contend that new instruments should be approved by a “financial products agency” that would test them for social utility. Ideally, products deemed too costly to society over all — those that serve only to increase speculation, for example — would be rejected, the two professors say. “It is not the main purpose of our proposal to protect consumers and other unsophisticated investors from shady practices or their own ignorance,” they wrote. “Our goal is rather to deter financial speculation because it is welfare-reducing and contributes to systemic risk.”

Editors: Alidad Damooei, Shruti Hazra, Elizabeth Mak, Adriana Robertson
With contributions from the YLBS Board and members