



PENHALLOW ASSOCIATES LIMITED
A Financial Knowledge Company



Practical Economics for Financial Markets

Virtual Learning or Classroom Training

Duration 6 Hours

Course Price: On Request

Location: (UK) For Virtual Learning Live Environment via Video Communication. *To book, or, require more information. Please contact Alan Penhallow; e-mail: alanp@penassco.co.uk*

Mobile: +44 (0) 7712086934

This programme may be of interest to your colleagues.

Overview

Changes in the global economy drive much of the activity in the various financial markets – equities, bonds, FX, etc. This course explains the key drivers in the current world economy. It takes a very practical approach and is illustrated throughout with many current and historical examples.

Who should attend

Anyone who feels they need to understand more about the major macroeconomic issues we currently face – so:

Fund managers
Lending officers
Treasury staff
Sales and trading staff
Risk managers
Regulators and supervisors

Key learning objectives - to understand:

- How an economy grows
- How growth is financed
- The flow of funds between the main sectors and between economies
- The role of the financial sector
- The benefits and risks of credit/debt
- Why cycles seem unavoidable
- The role of banks and the Central bank
- The impact of inflation
- The impact of demography
- The relationships between trade balances, current accounts and capital accounts
- The influences on an exchange rate

Agenda

- The goal: real GDP per head growth
- GDP – what it is and its limitations as a statistic
- An attempt at a Balance sheet
- Recent economic performance
- The limits of knowledge
- How economies grow – productivity growth, the need for investment and savings
- The main sectors in a free market economy – Corporate, Household and Government plus the Financial sector – the flow of funds between them and how in an isolated economy they sum to zero
- The impact of credit on growth – how bank lending drives money creation, the impact of the crisis
- The impact of bank regulation on credit growth
- The role of the Central Bank – interest rates, inflation and unemployment
- Economic cycles – and why they persist, trend growth rates and capacity constraints, etc.
- The problem of asset prices
- Trade and growth, globalisation and the extension of supply chains
- The impact of changing commodity prices, especially oil
- Crisis measures: Quantitative Easing and its impacts, and now 'QT' – Quantitative Tightening
- The impact of globalisation on wages and inflation

- The Fixed Income/bond markets – how yields are determined, the importance of anchoring inflation expectations
- The risk of high debt levels
- The impact of demography and particularly ageing
- Trade balances, the current account and the link with savings rates – e.g. China and Germany’s export surpluses, savings surpluses and their consequences
- The impossible trinity: choose two of the three - the free flow of capital, an independent monetary policy, a stable exchange rate
- FX rates – the influences, growth and interest rate differentials, etc.
- The world’s reserve currency – the dollar
- The Eurozone and its growth and debt problems and especially the Italian problem
- Emerging Markets growth; dollar debt risk

Trainer Profile



Mike Stafferton

Mike has over eight years’ in-house experience in Derivatives and Origination with what was a top Japanese Securities house and over 16 years’ experience as an independent consultant in the capital markets and related areas. He has a particular focus on Securitisation and Basel/CRD. He is also an Associate of Moody’s.

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