



MACROECONOMICS

And the context to Hot-Button
Issues of the Day

Duration: 8 hrs

Scheduling: 1.5 hour blocks x 4 sessions

Each of the following session will involve references to:

Risk Categories

- ⚠ Market Risk
- ⚠ Country Risk
- ⚠ Economic Risk

Asset Classes

- ★ Equities
- ★ Rates; interest rate differentials and derived impact on Fx rates
- ★ Credit spreads and Credit Default Swaps
- ★ Forex
- ★ Commodities

1. What is Macroeconomics and what is its scope? *2 hours*

- The economy as a whole.
- Moving parts of the economy
- Broad economic variables and aggregates.
- Economic growth, inflation, and unemployment.
- Fiscal & Monetary Policy

CONTEXT:

- ☼ Sectors and drivers in the modern economy
- ☼ Productivity and job-less growth

2. Developed Economies vs. Emerging Economies: the contrast in economic aggregates as a Case-study: *1 hour*

- The link between economic aggregates
- Spending - on what?
- Repaying national debt - how?
- Growth - from where?

3. Inflation and Cost of Living: *1.5 hour*

- Understanding inflation
- Supply side economics
- Demand side economics
- Monetary policy

CONTEXT:

☼ The cost of living crisis that grips the world

4. Monetary Policy and Central Banking: 1.5 hour

- Role of central banks in controlling money supply
- Interest rates and their effects on the economy

CONTEXT

☼ Monetary policy since 2008 and the resulting bind on Central Bankers

5. India in the World 2 hrs

- India's External Flows: heads of account
- Inward remittances and their importance

Trade

- Exports: trends and important sectors
- Imports: trends and important sectors
- Trade Deficit
- Investment Flows
- Why seek investment
- FII vs FDI
- Factors that influence global investment flows
- Where does India stack up among competing economies that vie for investment