



A Practical History of Financial Markets **Edinburgh, 21-23rd February 2019**

Thursday 21st February

07.45-08.00	Coffee/tea and breakfast buffet
08.00-08.15	Introduction to the course by Russell Napier
MODULE 1	Valuing Stock Markets - Derry Pickford & Stephen Wright
08.15 - 09.45	<u>Session 1</u> Introduction Value Long-term Stock Returns and Two Remarkable Features Hindsight Value and the Value of Hindsight
09.45 - 10.15	Coffee and Group Work
10.15 - 10.45	Review of Group Work
10.45 - 12.15	<u>Session 2</u> Can Markets be Valued? The Five Key Tests Applying the Tests: a) The Dividend Yield b) Redefining Dividends: the “Cash Flow Yield” c) The Price-Earnings Multiple
12.15 - 13.15	Lunch
13.15 - 13.30	Review of Group Work II
13.30 - 14.30	<u>Session 3</u> Applying the Tests, continued d) Adjusting the P/E e) Yield Gaps and Yield Differences
14.45 – 15.30	<u>Session 4</u> Applying the Tests, continued



f) "q"

15.30 - 15.45	Group Work III
15.45 - 16.15	Review of Group Work, Overview and Q&A
MODULE II	Investing in Periods of Inflation, Disinflation and Deflation
	Peter Warburton
16.15 - 17.15	<u>Session I</u> Introduction Characterisations and stages of a domestic inflationary process International determination of inflation
17.15	Coffee Break
17.15-17.45	Break-out session I and review The Great German Weimar Inflation 1918-1923
17.45 – 18.30	<u>Session II</u> Investment Returns in different inflationary climates
18.35 - 19.15	Break-out session II and review US equity investing during the Great Depression
19.15 - 20.00	<u>Session III</u> Global Price Acceleration: the race has begun



Friday 22nd February

07.45-08.00 Coffee/tea and breakfast buffet

MODULE III Monetary Theory of Asset Prices - John Greenwood

08.00 - 09.30 **Session I**

The Monetary Theory of the Business Cycle & Asset Prices

How money is created; how money grows in normal times

Central Bank Balance Sheet Transactions

How the money supply behaves in abnormal times

The growth of shadow banks and non-bank credit

US, UK, Eurozone and Japanese money supply & capital markets

09.30 - 09.40 **Coffee Break**

09.40 - 10.30 **Session II**

Measuring Money and Credit

Broad money and its 'counterparts'

The demand for money and changes in velocity

The Impact of Fluctuations in Money and Credit

The Impact of Different Exchange Rate Regimes – Fixed, Managed & Floating -- on Money Creation and Growth

Money supply and asset prices in different countries

Printing-press money versus fountain-pen money

10.30 - 10.40 **Coffee Break**

10.20 - 11.20 **Session III**

Financial Bubbles and Busts

Two Overlapping Bell Curves and the Three Phases

Bubbles, practical examples

Debt-deflation, practical examples

The Importance of Balance Sheet Repair

11.20 - 11.30 **Coffee Break**



11.30 - 12.15	Session IV <u>The Data on Money and Credit</u> Overview of current data on money and credit Single country versus multi-country measures Divisia measures of money and their usefulness Overall conclusions
12.15 - 13.30	Session V Jamie Dannhauser Between a rock and hard place: central bankers, a flawed paradigm and the dangers that lurk ahead
13.30 - 14.15	Lunch
MODULE IV	Behavioural Finance - Herman Brodie
14.15 - 15.25	How finance got behavioural Schemas and heuristics Prospect Theory (part 1)
15.25 - 15.40	Coffee break
15.40 - 16.50	Prospect Theory (part 2) Cognitive Dissonance
16.50 - 17.30	Group work – “Analysis of an investor” Debriefing
17.30 - 18.00	Discounting Adaptation
18.00 - 18.30	Group work – “The Pension Crisis”
18.30 - 18.45	Tips & Tricks Q & A
MODULE V	Russell Napier
18.45 - 19.30	Mean reversion of Equity Valuation



Saturday 23rd February

- 09.00 - 10.30 **Russell Napier**
Financial History the Next Ten Years
- 10.30 - 10.45 **Coffee**
- 10.45 - 12.00 **Jon Compton**
Missing the Obvious – How to save time and make money in
capital markets
- 12.00 - 12.15 **Coffee**
- 12.15 - 13.30 **Edward Chancellor**
Investing with the Capital Cycle