

A Practical History of Financial Markets

London, 31st Oct – 2nd November 2019

Thursday 31st October

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 1st November

07.45-08.00 Coffee/tea and breakfast buffet

MODULE III Monetary Theory of Asset Prices - John Greenwood08.00 - 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****The Data on Money and Credit**

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 2nd November

- 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



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