

A Practical History of Financial Markets

London, 21-23rd March 2019

Thursday 21st March

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

Session 1

08.15 - 09.45

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

Session 2

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

Session 3

Applying the Tests, continued

- d) Adjusting the P/E
- e) Yield Gaps and Yield Differences

Session 4

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	Session I 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	Session II 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	Session III Global Price Acceleration: the race has begun

Friday 22nd March

07.45-08.00 Coffee/tea and breakfast buffet

MODULE III **Monetary Theory of Asset Prices - John Greenwood**

08.00 - 09.30	Session I <u>The Monetary Theory of the Business Cycle & Asset Prices</u> How money is created; how money grows in normal times Central Bank Balance Sheet Transactions How the money supply behaves in <u>ab</u> normal 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 Gordon Pepper in conversation with Russell Napier
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 March

- 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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