AMFM-2425-507-Real Time Economics

Name of lecturer(s) & Email	Level/Semester, Status, Timing	ECTS*, CH & SDL**
Bernard Lalière blaliere@yahoo.fr	Semester 1 Compulsory Between 15-10-24 and 05-11-24	3 24 66

Description of the course

This course aims to provide a broad knowledge of the key economic releases that are used to analyze the economic cycle and that move the financial markets. It also aims to explain how these indicators are used to make forecasts and asset allocation decisions.After a brief reminder of the elements involved in the computation of GDP (part 1), the major economic releases will be analyzed by key categories (Part 2). The next part (Part 3) will analyze the yield curve and its influence on asset prices. It will also explain the role of central banks, their mandate, and their influence on the yield curve and the economic cycle.

The first part of the course is an introduction on the basic concepts of GDP computation and its components. It presents the three approaches (income, expenditure, output), explains the difference between nominal and real GDP and explains the concept of the GDP deflator. The first part aims to outline why this measure is the most widely used indicator by economists and what its limitations and criticisms are. The second part of the course outlines the main economic data by categories: business sentiment surveys and production data, consumer sentiment surveys and retail data, external balance data, earnings releases, default rate and credit surveys, labor and unemployment data, real estate data and inflation data. It will explain their relevance and their impact on financial markets. It will distinguish between leading and lagging indicators. The third part of the course will examine the key role that the yield curve plays in the market prices of the major financial assets (Bonds, equities, foreign exchange, and commodities). It will review the different shapes of the yield curve and their significance. It will explain the role of central banks and how they implement monetary policy.

At the end of the course, an asset allocation grid will be presented and explained using real economic data. The course intends to review and discuss major economic releases that will be published during October and November. Class discussions will be based on a press or economic article published during this period. Students will be required to read the article prior to class.

Course units

- Part1: GDP
- Part 2: Major Economic indexes
- Part3: Yield Curve, Central banks and asset allocation

Course Learning Outcomes (CLOs)

1. Understand key economic data and its influence on the financial markets.
2. Understand the influence of the yield curve on asset prices
3. Understand the role of the FED and ECB

Prerequisite (if any)

Participants must have a basic knowledge of macro-economic concepts

Contribution to Programme Learning Objectives (PLOs)***	Evaluation scale
- Learning Objective 1.1: Reinforcement - Learning Objective 2.1: Not Covered - Learning Objective 3.1: Not Covered - Learning Objective 4.1.: Not Covered - Learning Objective 5.1: Mastery	0-20

Main Teaching methods used in the course

Lecture, Interactive Lecture.

Contribution to the Environmental, social and governance (ESG)

Course Contribution to ESG: No
Contact Hours are dedicated to ESG: 0
Contact Hours containing climate solutions for how organisations can reach net zero: 0
Description of contribution: 0

Notice: The information available in the course outline is subject to change. Please keep yourself informed at all times by regularly checking Canvas.

***ECTS** - European Credit Transfer and Accumulation System (1 ECTS = 30 hours of learning)
***CH** - Contact Hours in class or online, **SDL** - Self-Directed Learning including readings, homework, group work, preparation to assessment, etc
****PLO** - Programme Learning Objectives are available on the curriculum page

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Assessment methodology / Learners Use of Time and Load

Class participation
- weight 20%
- workload estimated ≈ 1 hours
- due 23-10-24
- Guidelines: Students are required to participate in the class discussion and read the article prior to attending the class.

Group Exam
- weight 80%
- workload estimated ≈ 2 hours
- due 05-11-24
- Guidelines: You will have an individual assessment based on the key concepts outlined throughout the course.

Readings

Required
Powerpoint presentations shared in Canvas

Recommended
/

Other Learning Materials
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