

Negative Interest Rates: Origins and Implications

PROACTIVELY RESPOND TO NEGATIVE INTEREST RATES



DURATION

3 hours



DELIVERY CHANNEL

eLearning



Modules:

- 1 Fiscal Policy
- 2 Monetary Policy
- 3 Modern Monetary Theory
- 4 Negative Interest Rates
- 5 The Impact of Negative Interest Rates on Portfolio Management Strategies and Techniques

COURSE OVERVIEW & BENEFITS

To battle the global financial crisis of 2008, central banks across the globe adopted measures such as quantitative easing and cut interest rates to near zero. A decade later, as the world grapples with the COVID-19 pandemic, interest rates are again under pressure. With little room left to cut rates further, the major central banks in many countries have had to resort to unconventional policy measures, including a negative interest rate policy.

This course provides a historical overview of quantitative easing and its impact on the financial markets as background to an examination of current monetary policy in a climate of negative interest rates.

LEARNING OBJECTIVE

Learn to cope with the market impact of negative interest rates when making investment decisions, and understand the risks inherent in monetary policy actions, so that you can respond with effective portfolio management strategies.

COMPETENCIES GAINED

Participants will be able to:

- Discuss the fiscal policy programs created during the 2008 global financial crisis and the COVID-19 pandemic.
- Describe the two primary tools of monetary policy.
- Describe some of the main events in the history of U.S. monetary policy since World War II.
- Explain the impacts that quantitative easing has had on the U.S. and other economies since first being implemented in 2008.
- Discuss the magnitude of quantitative easing measures undertaken by other major central banks.
- Describe Modern Monetary Theory.
- Describe negative interest rates.
- Discuss the size of the negative-yield bond market.
- Explain the methods used in traditional portfolio management.
- Describe the major risks of negative interest rates for portfolio management.

TARGET AUDIENCE

Negative Interest Rates: Origins and Implications is a suitable course for anyone interested in this topic, including, but not limited to, capital market specialists, corporate bankers, investment advisors, retail and institutional salespersons, and other professionals in the financial services industry.