

“CIGS Ms. Nomi Prins Seminar”

Date & time: Monday, November 14, 2016, 10:00 - 12:00

Venue: CIGS Meeting Room
 (11th Floor, ShinMarunouchi Building
 5-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo)

Theme: “Critical Risk: The Lurking Dangers of Global Central Bank Policies, Private Bank Portfolios and the Markets”

Abstract of the Speech:

Nomi’s global scope of research for her new book, *Artisans of Money*, has taken her around the world and back in time before the start of the financial crisis, analyzing the interconnectivity of major and minor central bank policies, the extent to which they have shaped economic decisions, and the repercussions of those decisions at both an international and national level. In addition to examining the intricate timeline of associated events, she has been tracing the juxtaposition of political, banking and relationship motivations behind these decisions, as emanating from the United States, and other world regions. She is also analyzing the inherent risk in the world.

- (1) How did we get here? Where are we headed? Lessons from the ongoing financial crisis.
- (2) What is the Artisanal Money Era with respect to central bank policy and market effects?
- (3) The Ten Major Risk Factors:
 - a. Unsafe banks and ongoing bank crimes and settlements
 - b. Asset bubbles
 - c. Debt
 - d. Volatility
 - e. Economic and Corporate Leverage
 - f. Geo-politics
 - g. Currency wars
 - h. Interest rates
 - i. Derivatives.
- (4) Solutions for reversing this rising risky tide.
- (5) Impact of the US election Results – How will the New White House address these issues/ how will the Federal Reserve act?

Global Backdrop:

Eight years since the financial crisis caused by the US banking system, and the world economy remains in a precarious position, with banks and markets reliant on central bank support. On October 11, the Japanese Parliament passed another plan to revive the economy. Following four years of quantifiable

Abenomics stimulus and negative-interest-rate-policy, the government additional spending of ¥3.3 trillion (\$32 billion) raised Japan's debt-to-GDP level to 250 percent.

In Europe, with its economy drifting at 0.4 percent for the first half of 2016 and the intensifying banking crisis, the European Central Bank invoked more QE-style initiatives. Deutsche Bank shares have plunged to 1980 lows and the firm has cut 4,000 jobs. Commerzbank will cut 9,000 jobs, Dutch bank ING will eliminate 7,000 jobs. With European bank shares down over 20 percent this year, the ECB hinted it may wait until December to decide whether to extend its bond-buyback program beyond March 2017.

In the US, the Federal Reserve keeps talking about an imminent rate hike and the odds on Wall Street are 70 percent the Fed will raise rates in December (only the second increase since 2006). But there are many conflicted inside opinions on this course of action, and political considerations in an election year as well. Plus, US economic growth since the recession is tracking at its weakest pace of any expansion since 1949,

Across the global economic spectrum, there is evidence of recession. The World Trade Organization forecasts global trade will register its fifth straight year of sub-3 percent growth. The Bank for International Settlements and the IMF warned of excessive borrowing, mostly in dollars, by emerging-market companies. If US interest rates rise and the dollar strengthens, emerging-market currencies will weaken, increasing debt-repayment burden and hurting equity markets.

Speaker: Nomi Prins

She is a leading American expert on the intersection of politics, finance and economics. She is listed as one of America's Top Wonks and is a frequent TV commentator on channels such as the BBC, CNN, CNBC, Bloomberg and others. She has written for Forbes, Fortune, the Guardian, the New York Times, the Nation and other international publications. She has addressed the Federal Reserve, IMF, World Bank and other central banks, governments, private companies and universities on concerns regarding the banking system and the global economy. She has written six books, the most recent being *All the Presidents' Bankers: The Hidden Alliances that Drive American Power*. She is currently working on a new book, *Artisans of Money: The Rise of Central Bank Power, Financial Warfare and Shifting Super Powers*. She was a former member of Presidential contender, Bernie Sanders' Federal Reserve Advisory Committee. She was a managing director at Goldman Sachs in New York, a Senior Managing Director at Bear Stearns in London, and a Senior Strategist at Lehman Brothers and the Chase Manhattan Bank.

Moderator: Daisuke Kotegawa, Research Director, CIGS

Language: English