BCA Research
eAcademy

Shape Your Conviction™

Course Overview

Geopolitics & Investing

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Overview

Geopolitics has become a central feature of the investment landscape. Will war risks impact the market? How will protectionism reconfigure global trade? Will the euro area survive? What do US political polarization and income inequality mean for markets and policy? How will the rise of China impact geopolitical and economic risks? How will generational change influence policy?

Very few investors have been trained in political analysis that will have a significant impact on portfolios. Geopolitical risk has been brushed aside for many years as something that cannot be forecasted and therefore should only be considered post-facto in portfolio construction. This outdated view will prove to be costly for many.

Our Geopolitics & Investing course gives market participants the tools and empirical lessons needed to navigate increasing political and geopolitical risks. The objective of the course is to help investors add structured political analysis into their decision-making process, making them better at avoiding risk and capturing opportunity.

Description

During this one-day course, attendees will learn from our Geopolitical Strategist, Matt Gertken. Some important sessions include:

- Our "constraint"-based method, which underpins our strong record of political analysis and forecasting for eight years and counting
- Best practices for reading the news and avoiding media biases
- Game theory and its application to markets
- How to generate "geopolitical alpha"
- How to effectively use data when making political assessments

This is not a course in political science theory. This course is about learning how to apply fundamental concepts and methods to markets. Assessing the current geopolitical and political environment is an important part of this course. Delegates will leave the sessions with a much better understanding of the main political questions facing investors today.

The course will also include a very topical and market-relevant "war game." This exciting group exercise will bring together the methods, history and best practices introduced during the sessions.

"We look forward to seeing you at this incredible journey into the world of political analysis."

CFA Institute members that attend this BCA Research Academy course can claim 8 CE credits.

Course Highlights

Learning Objectives:

- Learn how to read the news
- Forecast policymaker behavior
- Identify long-term geopolitical risks and opportunities
- Understand political and institutional constraints on policymakers
- Understand balance of power dynamics
- Connect geopolitics to financial markets
- Identify paradigm shifts

Here's what we'll cover:

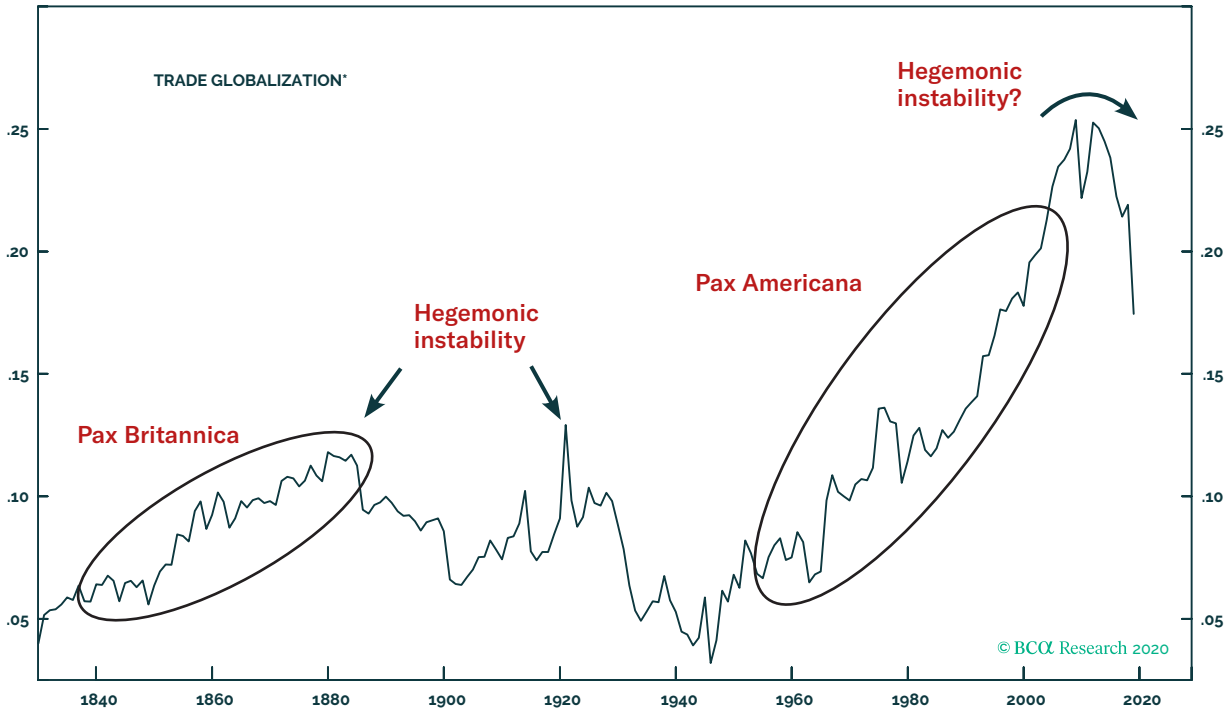
- A Constraint-Based Method of Political Analysis
- The Debt Supercycle
- Peak Globalization and Multipolarity
- The United States: Polarization and Impacts
- China and Emerging Market Political Risk
- Politics of Fiscal, Regulatory and Trade Policy
- Structural Reforms - The Why and the How
- Populism, Inequality, and Debt
- Governance, Tech, Productivity
- Generational Warfare

Who Should Attend?

This course is ideal for:

- Senior-level investors focused on global markets and various asset classes
- Family office investors, private-banking professionals and investment advisors
- Mid-level buy-side research and portfolio management professionals
- Sell-side equity, fixed income and bond sales and research professionals
- Economists and quantitative investment professionals

Multipolarity And De-Globalization Go Hand-In-Hand



* MEASURED BY IMPORTS AS A PERCENT OF GDP WEIGHTED BY POPULATION. BCA CALCULATION FROM 1994.
NOTE: NUMBER OF COUNTRIES VARIES BASED ON DATA AVAILABILITY.
SOURCE: BCA CALCULATIONS AND CHASE-DUNN C., KAWANO Y., AND BREWER B., "TRADE GLOBALIZATION SINCE 1795: WAVES OF INTEGRATION IN THE WORLD SYSTEM," AMERICAN SOCIOLOGICAL REVIEW 65 1, 2000.

Instructors

Matt Gertken
Strategist, *Geopolitical Strategy*

Matt is currently BCA Research's Strategist, Geopolitical Strategy. He oversees the firm's coverage of market-relevant geopolitical, political, and policy developments across the world. From 2015-18 he headed up the Asia coverage for the Geopolitical Strategy. Prior to joining BCA in 2015, Matt worked as a Senior Analyst at Strategic Forecasting, Inc (Stratfor) and in various academic and publishing roles. He frequently appears in international news media, including CBC, BNN Bloomberg, CNBC Asia, Bloomberg TV, and Fox Business News. Matt holds an MPhil from the University of Cambridge and a PhD from the University of Texas at Austin.

Roukaya Ibrahim
Editor/Strategist, *Geopolitical Strategy*

Roukaya Ibrahim is Editor and Strategist for BCA Research's Geopolitical Strategy and also contributes to BCA's Commodity & Energy Strategy. She joined BCA in 2017 as an Associate Editor, covering metals and agricultural commodities. Roukaya started her career at the Monetary Policy Department of the Central Bank of Egypt, where she contributed to the Monetary Policy Report prepared ahead of each committee meeting and produced models to analyze Egypt's business cycle and inflation. She also spent two years as a researcher at the University of Bristol's School for Policy Studies and three years as an economics teacher at Dawson College in Montreal. Roukaya holds an MA in economics from McGill University.

Mathieu Savary
Strategist, *The Bank Credit Analyst*

Mathieu is currently BCA Research's Strategist, The Bank Credit Analyst and Daily Insights. From 2016 to 2019, he headed BCA's Foreign Exchange Strategy service. He has also served as Senior Editor of the Global Investment Strategy service and as a Research Analyst for the European Investment Strategy service. Moreover, Mathieu was one of the two developers of BCA's "Principles Of Global Macro" course, a course he still teaches to investors around the world. Prior to BCA, Mathieu held the position of Global Macro Research Analyst with Brandywine Global Investment Management. Mathieu holds a BCom in Finance and Economics from McGill University, and the CFA designation.

Course Agenda:

Week 1

Session 1:
Introduction: Geopolitics And Markets

- The Macro Map
- The Political Cycle
- World Government
- Black Swans Versus Gray Rhinos
- Political Bias And Data Dependency
- Safe Haven Assets

Session 2:
Constraints Versus Preferences

- Political Constraints: The Median Voter Theory
- Economic Constraints: Recessions And Elections
- Financial Constraints: The Impossible Trinity

Week 2

Session 3:
Net Assessments

- Demographic Constraints: A Global Mega-Trend
- Constitutional Constraints: Central Bank Independence
- Military Constraints: The Russian And Chinese Periphery

Session 4:
Intelligence Analysis

- Analysis of Competing Hypotheses
- Diagnosticity
- Checklists
- Decision Trees

Week 3

Session 5:
Game Theory And Politics

- Cuban Missile Crisis
- Euro Sovereign Debt Crisis
- US Democratic Primary Election
- US-China Trade War
- Caveats

Session 6:
Measuring Geopolitical Risk

- What Is Priced In?
- Geopolitical Power
- Geopolitical Risk
- Governance
- Public Opinion

Week 4

Session 7:
Open Source Monitoring

- A Post-Truth World? Or Fake News?
- Credible Sources
- Close Reading

Session 8:
Big Picture Themes And Market Takeaways

- Nationalism And Populism
- De-Globalization
- US: Peak Polarization
- China: Middle-Income Trap
- Proxy Battles In Asia
- Europe's Liquidity Trap
- Petro-State Instability

Additional Material:
Participants will receive reading materials that will supplement the in-class learning experience.

Additional Course Highlights:

- Live video webinar format.
- Recordings of each session will be made available to all delegates.
- During each session delegates will have the opportunity to ask questions live or submit them offline.
- Additional readings will be provided to support learning objectives.

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