

Global Macro Team

Fall 2024
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Agenda



Intros



Macro Lesson + Current Events



Questions



Expectations



Networking/Recruiting Tips



Expectations



Meetings:

- Every Tuesday from 7-8 pm until April 28th
 - Except Fall (10/15) and Thanksgiving (11/26) break
- Attend all meetings – Fill out the form know ahead of time if you can't make it
- Read the news article we send out and write a short analysis to prepare for the discussion
- Recruitment Panels & Guest Speakers

Projects/Deliverables:

- Several deliverables throughout the semester to build the final project
- Final project – Slide deck submit to us and I-Board!

Dues:

- \$15 dues (on SWS website)

News discussion



Before each meetings:

- CGOs will send out a news article related to our content
- Read through the article and write a short analysis on it (a few sentences are fine!)
- Post your analysis on your group Teams Channel and be ready to share with your group during next week's meeting

During meetings:

- SAs will lead the news discussion within groups
- Then we will discuss as a team!

Key Terms/Ideas

Inflation: the decrease in purchasing power of the dollar which is reflected in rising prices over time (often measured using the Consumer Price Index)

Fed Funds Rate (FFR): the target interest rate set by the Fed (US Central Bank) for banks' overnight borrowing with the intention that these interest rates will eventually trickle down to consumers to encourage or discourage spending, therefore managing inflation and unemployment

“Tightening” of interest rates: over the past couple of year, the Fed has increased the FFR (highest at 5.25-5.5%) to make borrowing more expensive, which makes investing in operations and expansion more expensive, with the goal of discouraging spending and thus inflation

Soft Landing: moderate and controlled economic slowdown after a period of high growth, and oftentimes inflation, that avoids a recession

This week's news!



- What has the Fed done to control inflation since 2020?
- Should the Fed start big or small? What are the implications for each?
- What economic trends and factors are influencing their decision?
- What are the concerns with holding interest rates "higher for longer"?
- Any thoughts/comments on the article?

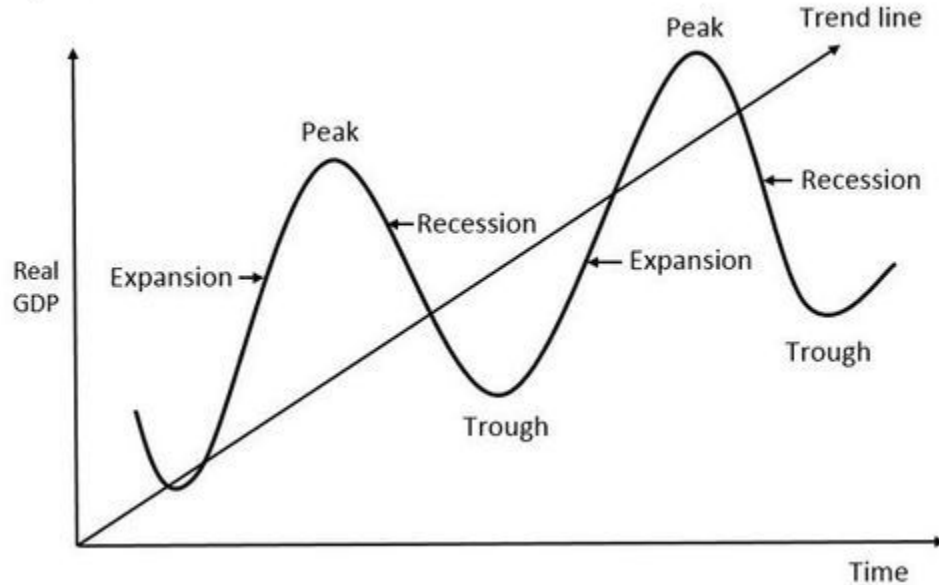
Macroeconomics

Macroeconomics is a branch of economics dealing with performance, structure, behavior, and decision-making of an economy as a whole. For example, using interest rates, taxes, and government spending to regulate an economy's growth and stability. This includes regional, national, and global economies.

Business Cycle



Graph 1



Economic indicators



1

Output/GDP

2

Unemployment

3

Inflation

Intros

Expectations

News Discussion

Macro lesson

Networking/Recruiting

Measuring output



Gross Domestic Product (GDP)

GDP is a monetary measure of the market value of all the final goods and services produced in a specific time period by countries.

Nominal GDP

GDP given in current prices

Real GDP

GDP that is adjusted for inflation

Analyzing GDP



Using GDP and GDP per capita as a measure of economic strength and growth

GDP:

$$Y = C + I + G + NX$$

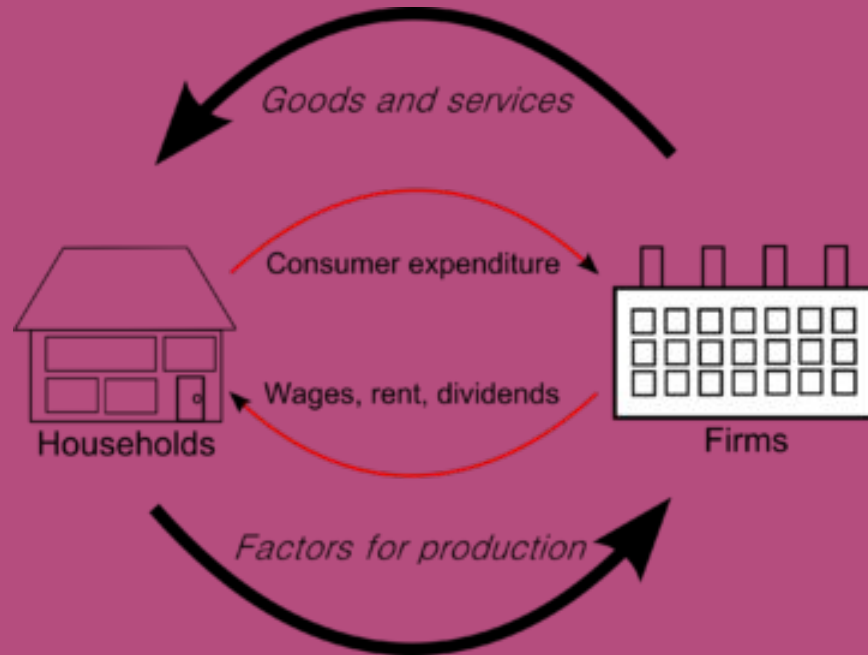
Pros:

- Allows comparisons across countries
- Informs policymakers
- Gives an indication of average income

Cons:

- Overestimates the quality of life
- Does not account for disparity in income distribution
- Contains inaccuracies

Circular Flow of Income



Calculating GDP



1

Expenditure Approach

$$Y = C + I + G + NX$$

2

Income Approach

3

Product Approach

Analyzing GDP



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Thank you!

We're excited for the semester!!

