Macro and Microeconomic Modelling

9107

Virtual

24 hours

Registeration Deadline
21-Jul-2025

Course Description:

The Macro Economics and Global Financial Markets training course will provide participants with an understanding of the fundamental macroeconomic factors that influence current global financial markets as well as the operations of non-financial firms. The goal of the program is to create a coherent framework for understanding the macroeconomic environment and to provide a consistent interpretation of the role economic growth, business cycles, exchange rates, inflation, fiscal and monetary policy in shaping dynamics of global financial markets.

Target Audience:

This course is designed for executives and relationship managers. It will also be of interest to investment, risk and strategy executives and personnel.

Course Objectives :

The aim of this program is to train delegates on:
- The impact that economic realities have on a business
- The current uncertainties
- The macroeconomic and micro economic impacts and how these differ
- The nature of assumptions and concentrations
- The relationship to stress testing and scenario modelling

Course Outline:

Session 1: Introduction to Macro and Micro Economic Modelling
- What are macro and micro economics?
- Their role in the world including SMEs
- Measuring economic activity and macroeconomic performance
- Data and model properties
- Data cleaning and enrichment
- Model design and development
- Forecasting uncertainty
- Policy Analysis

Session 2: Economics and the Current Market
- How economics impacts company performance
- Understanding economic concentrations and homogeneity
- Aligning the analysis to the future risk
- How different parts of the market may be impacted by crises
- The nature of economic modelling
- Predicting future financing needs
- Identifying economic success and failure factors

Session 3: Understanding Macro Economic Variables and Long-Term Performance
- Economic management approaches
- Financial flows – savings, investments and the role of interest rates
- What this means for a business
- The importance of gearing
- Considering available funds
- Strategies for growth
- Key economic uncertainties
- The impact on the SWOT analysis

Session 4: Money and Inflation, Business Cycles, Monetary Policy
- Money and Inflation
- Changing prices and demand for services
- Business cycles: Recession and recovery
- Identifying company's likely to survive and sensible approaches
- What is currently happening?
- How can this be modelled?

Session 5: IFRS and economic risk
- Macroeconomic overlays and SMEs
- The application of macroeconomics to IFRS 9 modelling techniques
- Developing the life cycle model
- Validating and monitoring the life cycle model
- Dealing with stress events and uncertainty

Session 6: Developing the Macro Economic Model
- Building the model – the risks to be aware of
- What really needs to be modelled

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- Identifying modelling assumptions
- The build approach
- Seeking model stability
- Issues of model approval
- Applying the model in practice

Session 7: Developing the Micro Economic Model
- The nature of the local economy
- Its connectivity to the global economy
- The application of the macro model outputs to the micro model
- Micro factors – how granular can you be?
- Considering the implications of the innovation agenda
- Factoring in fiscal imbalances and approaches
- Considering political and other risks

Session 8: Key Modelling Issues
- Time series data
- Stationarity and non-stationarity
- Random walk
- Error correction
- Building a prototype model
- Input – output tables
- ARIMA models

Session 9: Final Lessons
- The entire framework and governance
- Weighting assumptions and looking to future
- Identifying solutions
- Choosing the appropriate approach
- Management and reporting
- Modelling and validation
- Will it work?
- Challenges in practice

Course Provider:
Risk Reward