



COLUMBIA | SIPA

International Finance and Economic Policy

# IFEP Newsletter

Fall 2016



## IFEP TEAM

Prof. Richard Robb **Concentration Director**

Prof. Andrea Bubula **Executive Director**

Corina Copp **Concentration Coordinator**

Juan Pereira, Ingrid Tang **Departmental Research Assistants**

# IFEP Fall Retreat

## September

The **2016 IFEP Fall Retreat** was held at Greenkill Retreat Center at the YMCA Camp in the Huguenot area of New York State from Saturday, September 17 to Sunday, September 18. Over 75 first and second year IFEP students attended the event at the start of the Fall semester making the retreat an amazing success! Much like years prior, the students bonded over plenty of outdoor activities, food, and drinks, and explored opportunities to learn more about SIPA and IFEP. Students, especially first years, had the opportunity to form friendships that will extend beyond their SIPA experiences. With many fun ice-breaking games and group activities including hiking and soccer, the retreat brought together students from various professional and academic backgrounds who are all interested in the impact of public policy on financial markets and economic regulation. The bonfire on the evening of the 17th saw students rejoicing over s'mores, the exchange of stories and experiences, the second-year students giving much needed guidance to the first-year students and more games! The sharing of insights and the close affinity developed over the course of the camp has been and continues to shape the IFEP experience. When the students boarded the bus back to campus, after capturing the amazing time they enjoyed in a group photo, they were already waiting for 2017 and the next Annual Retreat to roll in.

*–Aparna Singh*

# IFEP Visits the Economic Club of New York (ECNY)

September



Premier Li Keqiang (C on stage) addresses a welcoming dinner party organized by the Economic Club of New York, the National Committee on US-China Relations and the US-China Business Council in New York, Sept 20, 2016. [Photo/Xinhua]

IFEP students attended a dinner party at the Waldorf Astoria Hotel on September 20, 2016, in honor of Chinese Premier Li Keqiang. The event was jointly organized by the Economic Club of New York, the National Committee on U.S.-China Relations, and the U.S. China Business Council. Former U.S. Secretary of State Henry Kissinger delivered the opening address. Premier Li spoke about China's economic growth, the importance of trade and cooperation in bringing global economic prosperity, and the need to promote the benefits of the global trade system. The themes of discussion centered around foreign investment in China, tackling distrust present in U.S.-China relations regarding currency, trade, and IP, and on facing the challenges of maintaining an integrated trade system in a world that is increasingly turning to economic nationalism.

William Berkley (founder, W.R. Berkley Corporation) asked about the openness of Chinese markets given high interest in foreign investment and influx businesses looking to operate in China. Premier Li responded that China is interested in attracting foreign investment and business not only for the sake of much needed capital, but also to work with MNCs for access to advanced technology and managerial expertise. China has been the recipient of foreign investment for 24 years, he said, and there are complaints about difficulty in accessing Chinese markets, particularly Chinese domestic markets, which have to mature to become more open; and that it is an ongoing process.

Thomas Farley (President, NYSE Group) asked that, given Premier Li's speaking on the importance of U.S.-China relations and the mutual respect between the countries, there still remains in the media and public perception some negativity and mistrust, particularly in currency rate

setting and IP protection. The Premier conceded that there were plenty of misconceptions on both sides, but that he believes the strength of the U.S.-China relationship outweighs such problems. He asserted that there is no basis for continuous devaluation of the renminbi, and that such devaluations do not help China's goal of rebalancing the economy from an exports-led growth to a consumption-driven growth. Premier Li stated that one way to increase trust and cooperation is to encourage more tourism and flow of personnel from the U.S. to China, and vice versa.

Susie Gharib (Senior Special Correspondent, *Fortune* and CNBC; SIPA MIA '74) mentioned a growing backlash in the U.S. to globalization, because of loss of jobs due to global trade and hostility to trade agreements. She asked what the Premier would advise to the presidential candidates and the public. The Premier declined to comment on the elections, saying that it is an internal affair, but expressed optimism that no matter who is elected President, U.S.-China relations would continue to grow positively. He admitted that globalization does have its downsides but countered that the world needs to rely on globalization and trade liberalization to resolve the problems. He pointed out that Western nations—largely the U.S. and U.K.—have been the main beneficiaries of globalization, along with China.

Robert Hormats (Vice Chairman, Kissinger Associates) stated that global trade has been declining, but the Premier had mentioned how interdependent U.S. and China are on the system. With increased economic nationalism and pullback from global trading systems, what can the U.S. and China do together to reverse the decline in support for global trade, he asked. The Premier reiterated the need for U.S. and China to put out a strong message supporting WTO and global trade.

The two countries should open up further in trade and investment. As a measure of China's sincerity, Premier Li mentioned that China is opening up to beef imports from the U.S., despite having significant domestic animal husbandry themselves, as restricting imports would deny Chinese consumers of choice. He also invited New York banks to apply for setting up of RMB-clearing banks, which would facilitate cross-border settlement.

–Janani Natarajan

# IFEP Internship Panel

October



IFEP students work all over the world during the summer break. On October 4, 2016, 16 second-year students presented their internship experiences at the annual **IFEP Internship Panel**. Presentations included info on how they got their offers, when they did so, and if they learnt any valuable lessons. Tips for first-year students were also given.

The presentations were divided into categories that included "sales and trading," "investment banking," "management consulting," "financial

lobbying," impact investing," "research and financial journalism," and "government and international organizations."

The experiences shared were from American and foreign students working in the field both in the U.S. and abroad.

The discussion following the presentations included what courses to take to be a competitive candidate, and practical suggestions like starting the job search early, keeping your head high after several attempts, and preparing properly for interviews. The knowledge that students claimed to have gained during their summer internships comes both from an understanding of local and regional issues, to having a better picture of how particular organizations function.

The students were interns at companies and organizations like Deloitte, McKinsey & Co., HSBC, Société Générale, *The Economist*, the IFC, among others.

—*Juan Pereira*

# 2016 Macro Pitch Event

November

Themes from the **2016 "Macro Pitch" event** ranged from banking regulation, to EU elections, to CAPE valuation, to big-data indicators, to Trumpflation. After finishing a close second in last year's event, Tom

Dewick won last night on a rolling bear spread on the S&P. MJ Lin and Jeremy McCann tied for second after making valiant efforts on two controversial topics: gold and Chinese real estate. Cindy Morand's EU relative value sector trade made so much macro sense that judges begged for further bottom-up research, while Minjun



Chen/Andrew Fixler/Neha Sharma reminded us that Trumpology may be a global phenomenon, as shown in the group picture taken [above]. Special thanks to Prof. Weinberg and two kind alumni, Adam (last year's pitch winner) and Arne, for imparting practical market knowledge and trading savvy. To learn more about global macro investing in an environment that is looking DDR (de-globalizing/de-regulating/re-leveraging), please [check this out](#).

*–David Zhang*



# Markets Discussion Group

Initiated in 2014, the **IFEP Markets Discussion Group** sees spirited and engaging conversations on a wide range of economic topics; and this semester was no different. Each discussion is student-led, providing an open space for peers to learn from each other in an informal environment, outside of class. The topics covered this semester included Japan's new method of quantitative easing, asset bubbles in the housing market in China as well as the U.S. education system, monetary unions in Europe and Africa, and Europe post-Italian referendum. The two-hour-long sessions start with a general overview of the situation on deck, followed by open-ended questions for the students. This always leads very organically to thought-provoking conversations on the subject. The many perspectives and experiences of IFEP students have added tremendous value to creating an understanding of these pressing economic issues. The Markets Discussions have likewise fostered a stronger community amongst IFEP students.

This semester also saw an increase in diversity of its discussants. Several non-SIPA students attended the post-Italian referendum discussion in November and provided very thoughtful insights to the situation that many IFEP students were more than eager to hear. Such conversations are the reason these discussions are so useful, and students are eager for more in the Spring.

*–Karen Chen*

# *13th Annual Fall Gala*

The Lotos Club, New York, NY



Sponsored by Christofferson, Robb & Co.

## **Students, alumni, and faculty dressed, ate and drank to impress again at this year's IFEP Gala at NYC's Lotos Club. Companies represented include ...**

Access Industries, Artio Global Investors, Bank of Tokyo-Mitsubishi, Bloomberg News, Barclays Capital, BBVA, BDA, Bloomberg News, BNP Paribas, Christofferson, Robb & Co., Citi, ConEd, Credit Suisse, The Economist Group, Economist Intelligence Unit, Ernst & Young LLP, Eurasia Group, Federal Reserve Bank of New York, Fitch Ratings, FTI Consulting, Global Equity Flow, Goldman Sachs, HSBC, Grant Associates, Jennison Associates, J.P. Morgan, Karbone, Merrill Lynch, Merriman Capital, Ministry of Foreign Affairs of Japan, Mizuho Corporate Bank, Monitor Group, Moody's Investor Services, Morgan Stanley, NYC Department of Small Business Services, NYC Government, Nomura Securities International, NYC Human Resources Administration, Olson Cross & Alamo, Prager & Co, Rockefeller Foundation, UBS Global Asset Management, UNICEF, Wall Street Journal, World Bank, and World Economic Forum, among others





# Fall Guest Speakers

Throughout the semester, several distinguished guest speakers came to SIPA to talk about the financial and economic implications of the political and economic changes that emerging and developing countries were experiencing at the time.

The U.S. elections were a major political factor that could determine the future of financial regulation in the world. European banks in particular would be affected, considering the financial situation of some of those institutions. At one of our biweekly IFEP Committee Meetings, Dr. Irene Finel-Honigman—adjunct professor at SIPA and former Senior Advisor on Finance Policy at the U.S. Department of Commerce during the Clinton Administration—analyzed the election's potential impact on NAFTA and banking regulation, among other topics. She looked at the implications of some of the policies that the then-elected government in the U.S. was announcing and how some of the policy advisors could shape the next U.S. government.

George Osborne, Member of Parliament and former Chancellor of the Exchequer, United Kingdom, also came to SIPA to discuss Brexit, the U.S. elections, and the global economic situation.

Daleep Singh, acting Assistant Secretary for Financial Markets, U.S. Treasury Department, was another speaker during the semester. Singh spoke on considerations of prudent debt management. Emmanuel

Macron, France's former minister for the economy, founder of political movement *En Marche!* and candidate for next year's French presidential election, discussed "Reforging Transatlantic Bonds," in December.

IFEP also hosted talks with authorities from emerging markets. Alfonso Prat-Gay, finance minister of Argentina until the end of 2016, came in October to present his prospects for the Argentinian economy and to present the framework behind the economic changes in the country.

Veerathai Santiprabhob, governor of the Bank of Thailand, discussed the challenges for monetary policy conduct of emerging market central banks; and Ignazio Visco, governor of the Bank of Italy, talked about the new challenges for central banking from a European perspective.

Iceland's Foreign Minister, Lilja Alfreðsdóttir, spoke about the Icelandic experience during the 2008 recession, and the lessons that the country learned from their successful path out of the country's subsequent financial crisis.

–*Juan Pereira*

# Fall Social Events

November/December



Studying is not all IFEP students do during the semesters at SIPA. IFEP social events present opportunities to network with fellow classmates, alums, and faculty.

Two events that provided a great opportunity to get to know other IFEP students were the **Trivia Night** and the **Holiday Party**. Both events had over 70 attendants, including mostly IFEP students, but also students from other concentrations like Economic and Political Development (EPD) and Energy and Environment (EE).

The Trivia Night took place on November 10th at the 6th Floor Café (aka Publique) in the International Affairs Building. Thanks to the generous collaboration of Tom Dewick and Aaron Roth, who coordinated logistics and structured the game, different groups competed to prove their trivia-knowledge of IFEP. The game included questions from previous years, as well as new ones provided by different professors at SIPA. Yuki Ikawa also sang during the event.

Near the end of the semester, after the Econ finals, it was time to have our Holiday Party, held this year at Bernheim & Schwartz restaurant near campus. On December 16th, students chatted about the past semester, the exams, and prospects for upcoming winter break. All in all, a productive semester.

*–Juan Pereira*