

CSFI

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION

5 DERBY STREET
LONDON W1J 7AB

TEL: 020 7493 0173
FAX: 020 7493 0190

Quantitative easing: The triumph of monetarism or a snare and a delusion. A round-table discussion with Stephen Major (HSBC), Tim Congdon, Bob Giffords and David Oakley (*Financial Times*).

To be held on Thursday, November 12, 2009, from 12:30-2:15 pm.

For those, such as Tim Congdon, who advocate monetary solutions to recession, quantitative easing has been a textbook response. Serious amounts of new money have been pumped into the UK and US economies thanks to central bank purchases of government bonds and other financial assets. The policy has helped reverse falls in asset prices and kept a lid on borrowing costs in the “real” economy.

It has also helped to disguise what some see as an alarming increase in government spending, which has lain behind a 75 per cent increase in UK government bond issuance this year to £220bn. With the QE programme running at £175bn – or more, doesn't this sound rather circular? The US has more eclectic approach to spending QE money, including purchasing mortgage-backed securities. But however successful governments appear to be at supporting markets, these are not markets as we know them, Jim.

To help us weigh up the pros and cons, we are delighted to have:

- Steven Major, Global Head of Fixed Income Research at HSBC. He manages about 40 analysts based in London, Hong Kong, New York and Bangalore, covering credit and rates in developed and emerging markets. Steven, a highly ranked analyst with more than 20 years' experience in fixed income, continues to contribute to many of the regular research reports
- Tim Congdon, Chief executive of the newly-established company, International Monetary Research Ltd. and a long-time advocate of sound money and free markets. He was a member of the Treasury Panel of Independent Forecasters (the so-called “wise men”) between 1992 and 1997, which advised the Chancellor of the Exchequer. In 1989, he founded Lombard Street Research and was its Managing Director until 2001 and Chief Economist from 2001 to 2005. Publications this year include *Central Banking in a Free Society*, for the Institute of Economic Affairs, and *How to Stop the Recession*, for the CSFI..
- Bob Giffords, co-author of the CSFI report, *The Road to Long Finance*, is an independent analyst and consultant on European banking. He specialises in the study of financial technology and systemic issues. Previous roles include Director, EMEA Research and Consulting for Financial Insights, an IDC company, and Chief Technology Officer with EuroMTS, the bond-trading platform.
- David Oakley, capital markets correspondent of the *Financial Times* since September 2006, has worked at the paper for 10 years. Previous roles include

Deputy UK News editor and European News Editor. Pre-FT, he was business news editor on *The Sun* and business editor of the *Reading Evening Post*. He has also spent time as a political correspondent at Westminster.

If you or a colleague can join us for what I am sure will be a fascinating discussion, please let us know by emailing sophie@csfi.org.uk or by telephoning 020 7493 0173. As usual, wine and sandwiches will be provided.

Sincerely yours,

Jane Fuller
Co-director, CSFI