"What's New in the Capital Markets and How Does It Impact You?"



Tim Quast is founder and President of ModernIR, the largest next-generation provider of market intelligence to US-listed issuers. A 22-year NIRI member, Tim is a recognized national expert on market structure and a regular CNBC Squawk on the Street guest covering economic and market topics.

niri CHICAGO

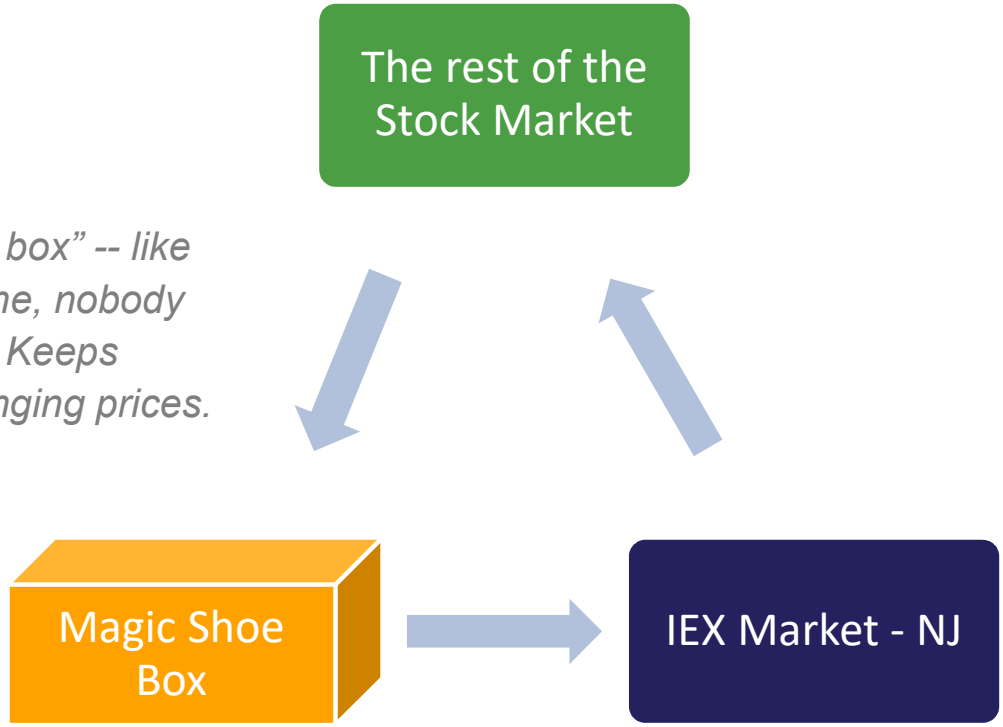
Fri, Jan 13, 2017
Webcast



Ruth Venning is Vice President and Treasurer of the Chicago NIRI chapter and principal of Rockhill Associates. Ruth is a veteran investor-relations and communications professional whose extensive career includes stints at Hospira, TDS, United Airlines and Calamos Asset Management.

IEX wants you to know how it works

The "magic shoe box" -- like airport security line, nobody can race ahead. Keeps traders from changing prices.



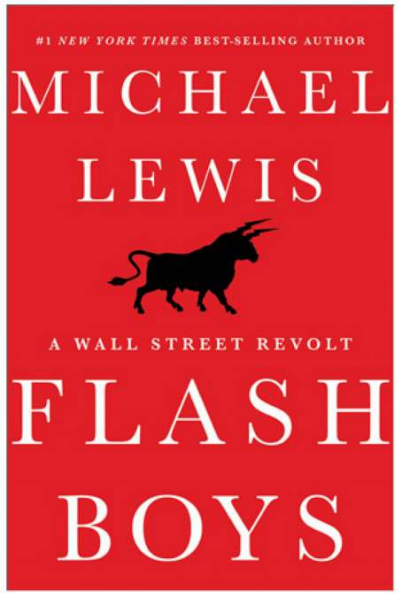
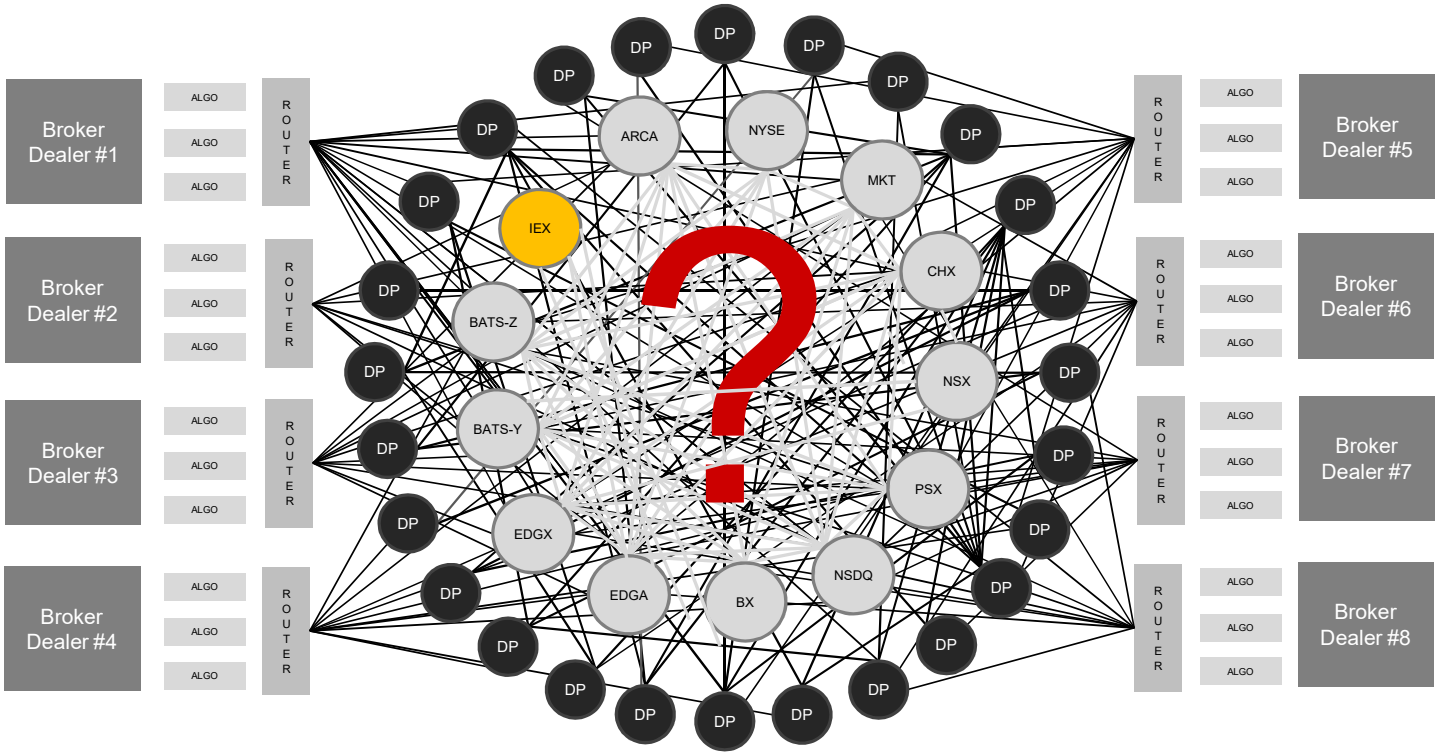


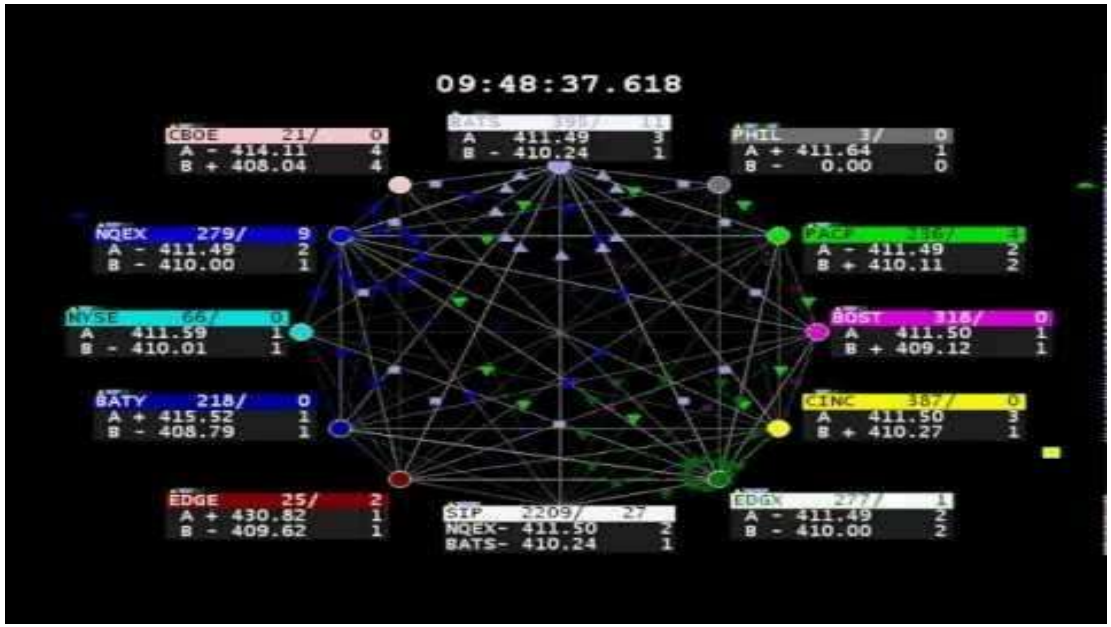
Image: Amazon.com

The Death Star: Not an investor's dream

Hint: This is actually the Stock Market



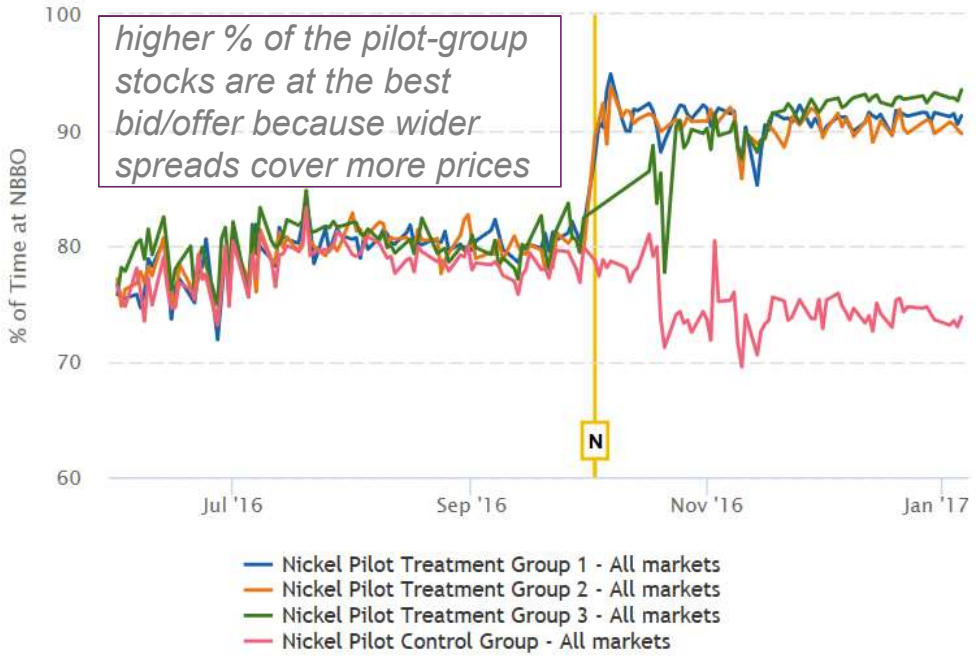
What IEX is trying to slow down slightly

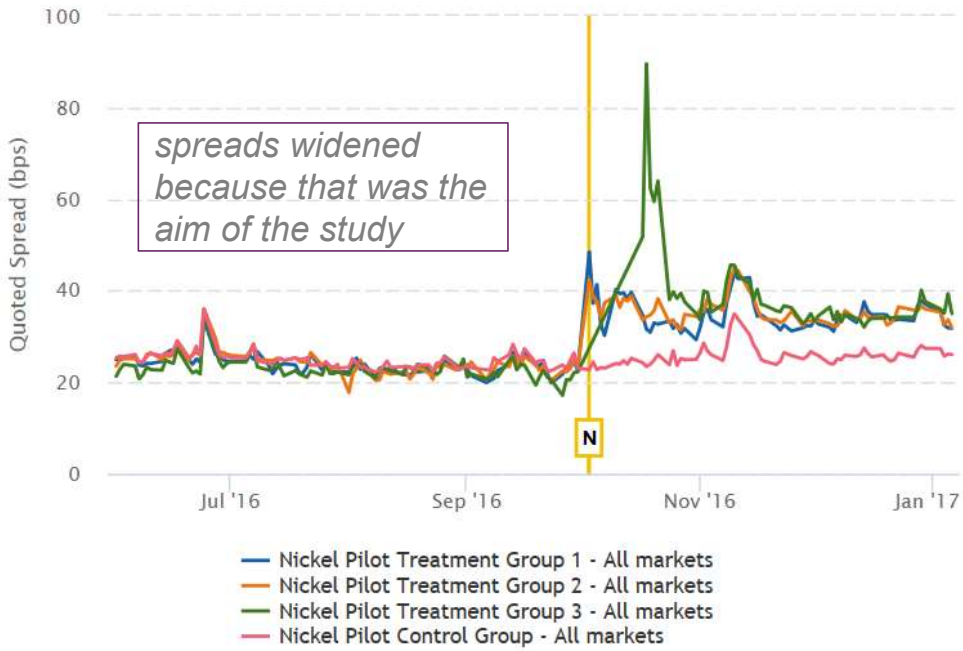


Keep your eye on the counter at the top – this video only shows an elapsed 5 seconds of trading!

Note: click video image to play (Source: Nanex LLC)

The Tick Study: End of Reg NMS?





Could wider spreads be contributing to outperformance of Russell 2000 stocks?

Source: Capital Markets Cooperative Research Centre, Australia's leading research and development organization assuring market quality. See at cmcrc.com or mqdashboard.com

Federal Reserve and Interest Rates

Figure 2.

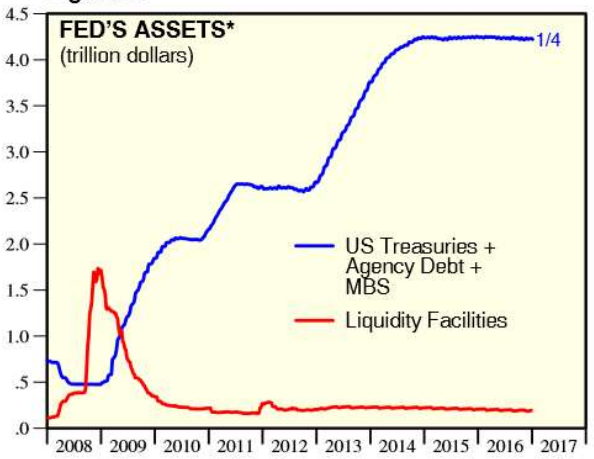
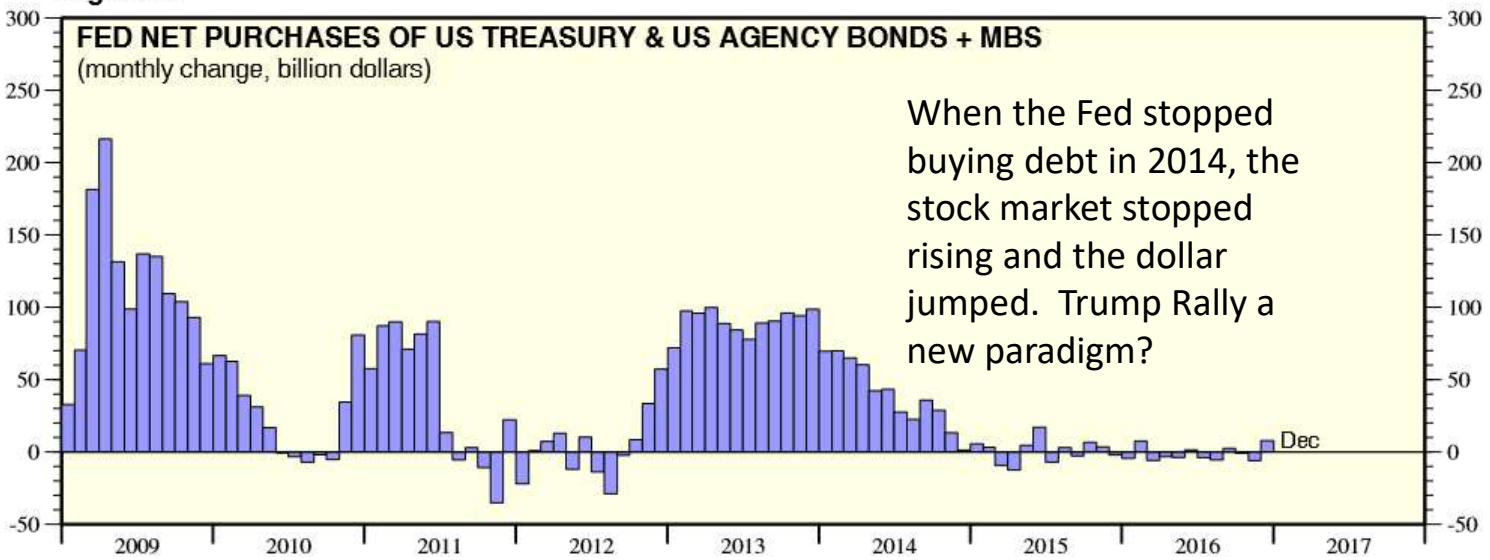


Figure 5.



1. 2009-16, Fed sent **$676 BILLION** to the Treasury (like earning interest on your own credit-card debt) through buying Treasury and mortgage debts.
2. Yields and values of bonds move inversely: ***Higher interest, lower balance sheet***.
3. When the Fed's balance sheet contracts, **the dollar rises, stocks fall, economy stalls**.
4. Can the Fed normalize rates? Yes. But the path back to "normal" may be rough.

Source: Yardeni.com, Yardeni Research Inc.

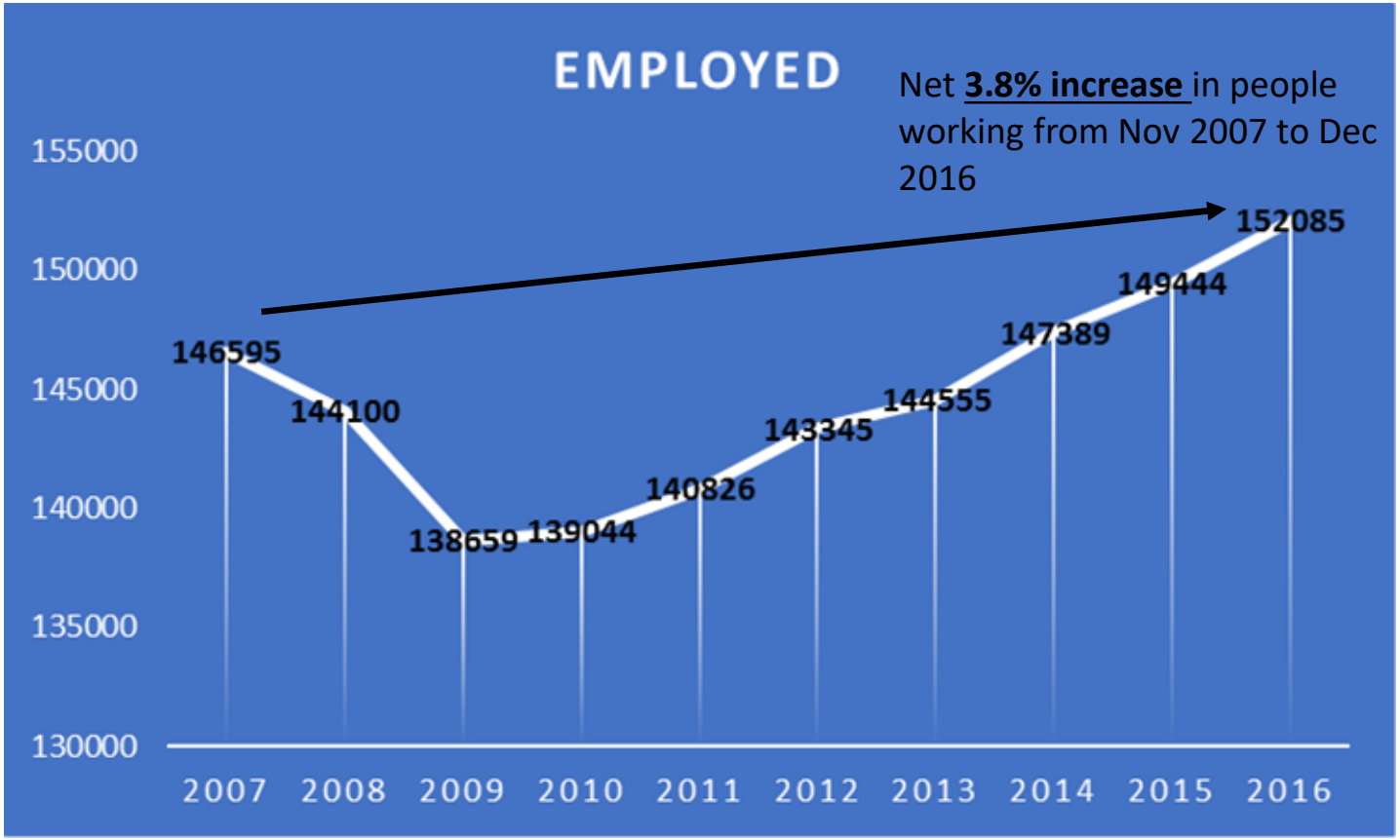
Economic Growth: Jobs are the engine

The economy returned to 2007 employment levels in 2014, seven years later.

3% economic growth requires more than 250,000 new jobs every month.

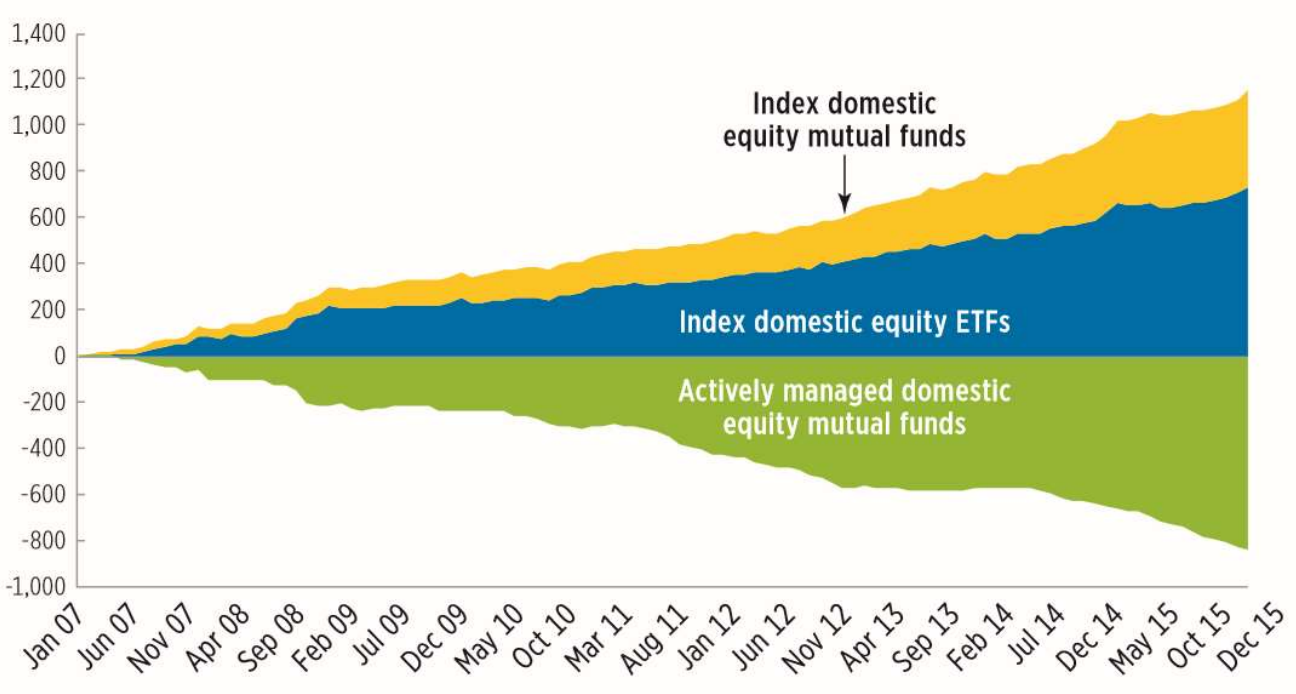
4% growth takes 300,000 jobs monthly. We are running at half those levels.

Can we? Yes. But it may be a rough path.



Source: US Bureau of Labor Statistics

Megatrend: Passive Investment



$2 trillion swing from Active funds to Indexes / ETFs