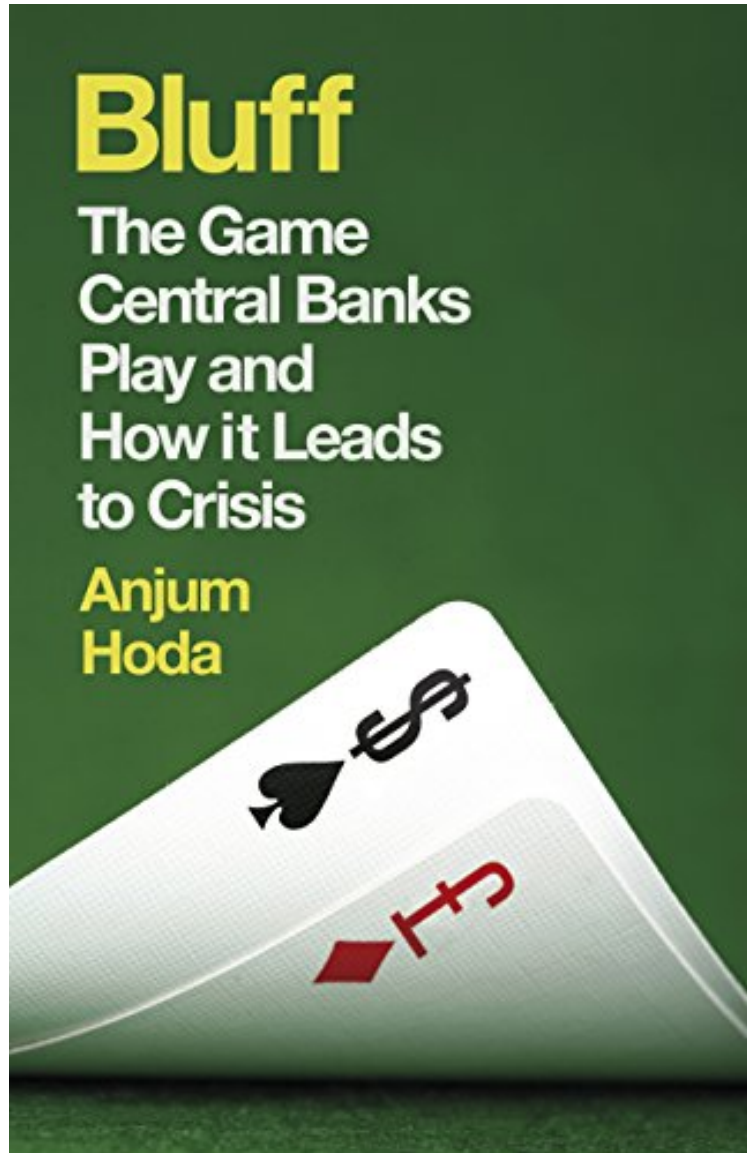


[Get free] Bluff: The Game Central Banks Play and How It Leads to Crisis

Bluff: The Game Central Banks Play and How It Leads to Crisis

Anjum Hoda

ebooks / Download PDF / *ePub / DOC / audiobook



DOWNLOAD



+

READ ONLINE

#1037102 in eBooks 2016-06-09 2016-06-09 File Name: B01C9O35PQ | File size: 62.Mb

Anjum Hoda : Bluff: The Game Central Banks Play and How It Leads to Crisis before purchasing it in order to gauge whether or not it would be worth my time, and all praised Bluff: The Game Central Banks Play and How It Leads to Crisis:

0 of 0 people found the following review helpful. WorthyBy DarrenIngram_dot_com Central banks are masters at bluffing, claiming to be the big stabilising force that holds the uppity financial marketplace in check; the reality is somewhat different, claims the author. Financial crashes and other runs on the economy are not being held in check or significantly minimised by the presence of the central banks, it is claimed, but maybe they are contributing towards the

problem, adding fuel to a fire created by Wall Street greed instead of adding extinguishing foam. Low interest rates to hold inflation down is the mantra de jour of central banks presently, yet it is claimed that this has backfired and created more damage in the process. Who to believe? That is beyond this reviewer's pay grade, yet the author has made a convincing argument and produced an interesting book that can be thought-provoking if not contentious and possibly incisive. Certainly the author has a background in the financial sector, working for many well-known banks and financial market participants for nearly two decades. It is no scorched earth, I-am-now-working-elsewhere-as-a-consultant-owner type book either. There is a shortage of hyperbole and a mass of information to take in. It all made for an interesting read that doesn't need a PhD-level financial education to understand. The author sets out to pull a shroud off an elephant in the room and look at the policy of deliberately restricted interest rates whilst proposing a solution to hopefully boost the stability of the world economy. Even if you disagree with the commentary, you get to experience a lot of interesting arguments and some fascinating history along the way. At times it felt a bit overwhelming, complex and deep yet on the whole it managed to be reader-friendly and corral a lot of information into a relatively small book. If this sort of book floats your boat, it may be worth closer scrutiny.

1 of 1 people found the following review helpful. The Mystery of the Federal Reserve By Doug Cornelius The mystery of the Federal Reserve leaves people wondering if it's controlled by the mysterious Illuminati, corrupt politicians, or fat cat bankers. And it leaves people wondering what exactly it does, or not care and demand an audit. If you believe any of the foregoing then Bluff by Anjum Hoda is not the book for you. Bluff is a deep dive into macroeconomic theory and monetary policy. It's sharply written and easy to read, assuming you have some basic understanding of the subject. The book focuses on the split requirements of the Federal Reserve. The primary role is monetary stability. We all want that dollar in our pocket to be worth a dollar. We want to be able to buy something tomorrow. We accept that it will cost a little bit more next year. We accept a small amount of inflation. Nobody wants high inflation. Nobody wants to have to use a wheelbarrow full of dollars to do our shopping. The other mission of the Federal Reserve is to pursue full employment. It's this one that causes the problems according to Ms. Hoda. To her, the Federal Reserve's "bluff" is to pump up asset values pre-emptively to boost economic growth by lowering interest rates. The magic formula is let assets slowly while wages move on the same path. The problem is that the Fed gets caught in a bad place when it misses an asset bubble that develops from low interest rates. If the Fed raises rates and pops the bubble, it may burst before wages caught up and send wages back down. The problem is that artificially lower rates are not boosting economic activity. In the first half of 1999, the Fed lowered rates dramatically after the Asian Flu. Non-financial corporations issued debt with gusto to buy back their own shares. In the years that followed, debt issuance and stock buybacks diminished. Cheap debt is more likely to raise asset prices than to increase employment. The goal of the Fed is to program a small bit of inflation into the economy. Ms. Hoda's proposal is to reduce that to a zero inflation policy. It's worth the price of the book. For me the price was zero since the publisher sent a copy to me for review.

0 of 0 people found the following review helpful. A very interesting and thought provoking book. By Dennis Jennings This is a very interesting and thought provoking book. If you have ever wondered why central bankers seem oblivious to asset inflation (until the inevitable bubble and subsequent bust), then read this book. The arguments are presented clearly and simply and it's easy for a layman like myself to read and understand. The idea that low interest rates, which are designed to stimulate economies, actually only result in asset inflation and fail to deliver increased economic activity for people generally (no resulting trickle down), and that this stimulation increases inequality, and ultimately delivers yet another bust which hurts ordinary people most, is certainly worth thinking about. Highly recommended.

The financial crisis of 2008 was caused by greedy, unscrupulous bankers. Luckily, the Bank of England and the US Federal Reserve were our firefighters. These central banks rescued us from the brink of collapse and resuscitated our economies. Except that isn't the whole story. A simplistic narrative, it glosses over one inconvenient truth - it was the firefighters who started the fire. Highly arresting and sobering, Bluff has significant implications for the decisions we make about our own finances and even our mid- to long-term life strategies. Hoda's thesis is set out with clarity and power, and her prediction is this - without radical systematic change only greater crises lie ahead.

'it has rarely been more clearly explained..' - Financial Times 'Essential reading not just for the Reserve Bank of India, but also for businesses and analysts in India' - Financial Express, India "Hoda, an erstwhile derivatives trader with J.P. Morgan and Swiss Re, among other houses too big to fail, offers a variation on the trope that the last great financial crisis was the product of 'the greed and deceit of commercial and investment bankers and traders.' There was that, to be sure, but the instability that has followed suggests, she argues, that a more complete truth lies elsewhere. She locates this in the complex interplay of central banks with the larger financial world, serving up a program that encourages investors to borrow even if it leads to more debt, 'trying to create economic momentum by intimidating people with a continued reduction in purchasing power.' Tied up in this is an oddly tilted, sometimes paradoxical system that punishes thrift because too much thrift leads to impoverishment in an economy premised on consumer spending by lowering interest rates below that of inflation, 'effectively taxing our savings.' In a sense, the banks' bluff is that the game can continue even as people realize that it's rigged. Hoda examines the evolution of central

banks over a long, bumpy history of previous financial panics, offering sidelights on the abandonment of the gold standard. Of more immediate interest is her take on the difficulty of investing in such a climate of uncertainty, with the real winners being the traders who 'aim to extract value by anticipating the actions of the central banks.' Writing accessibly and without undue reliance on jargon, Hoda dissects efforts at regulating the financial industry, such as the Dodd-Frank Act, which she considers one that 'confused correlation with causality,' and advocates for zero inflation, job creation, and other stability-improving policies. On the present course, writes the author in closing, 'investors will stop believing the central banks, even when they should.' Sound post-Keynesian economic reasoning well argued a book that one hopes, against the odds, the heads of the Federal Reserve and the Bank of England will entertain. Kirkus

s