

# IFC-MI CAPITAL MARKETS PROGRAM NEWSLETTER

## Hello Fall!

After three months of heat and humidity (DC's third-hottest summer in recorded history!), the leaves are starting to turn and there is a chill in the morning air. Coat purchases are rising among our IFC-MI Fellows, and it might be time for some hikes in the forests around DC!



Carole Biau  
Program Director

In addition to braving the arrival of fall weather, our Fellows have now wrapped up the first half of their semester and have concluded their mid-term exams. They have also met a wide range of new speakers and leaders in the financial industry—including at an exciting luncheon held on September 23, where Fellows discussed their priorities and concerns for capital-market development with Mike Milken and over 100 thought leaders and practitioners in the sector.

Now that exams are over, in the second half of October we are matching the Fellows to different companies in which they will undertake four-month internships this spring (from January through April 2017). This is a very exciting opportunity for internship providers and Fellows alike.

And just as importantly, next month applications open for next year's cohort of Fellows! We invite all governments to start thinking about their nominations for the Class of 2017-2018, and to reach out to us with any questions. Thank you once again for your support!

## Highlight of the Month

### Capital Markets Luncheon with Financial Industry Leaders

On Friday, September 23, more than 100 leaders in the financial industry, U.S. government, academia, and nonprofits joined the IFC-Milken Institute Fellows for lunch. This was an exciting opportunity for our class to exchange views with the program's founders: Jingdong Hua, vice president and treasurer of the IFC; and Mike Milken, chairman of the Milken Institute. The fellows also heard from Maria Contreras-Sweet, administrator of the U.S. Small Business Administration, and from GW President Steven Knapp. In closing, Milken engaged four Fellows—from Malawi, Angola, Kenya and Mozambique—during inspiring panels where they shared their ambitions for their countries' development.



Mike Milken explores the importance of human capital and private-sector opportunity at the luncheon



Industry partners and the Fellows discuss with Linda Livingstone (Dean, GW School of Business) and Divya Nair (IFC Treasury) over lunch

## About Us

The IFC-Milken Institute Capital Markets Program at The George Washington University was created exclusively for mid-career professionals with a passion for local capital-market development in emerging economies. Drawing on decades of knowledge and experience from scholars, policymakers and market practitioners, the program includes four months of coursework at GW in the fall, and four months of work placement in leading U.S. public and private institutions in the spring. This is supplemented by unique hands-on learning resources—including the IFC's proprietary case studies and the IFC-MI Speaker Series—which are customized for policymaking in emerging-market contexts. By actively participating in the program and staying connected to its alumni network once they have returned home, the IFC-MI Fellows are planting the seeds for robust capital markets and a healthy business environment in the youngest and fastest-growing parts of the world.

# Sitting in on the IFC-MI Speaker Series

Every week, the Fellows participate in a variety of learning experiences designed by the IFC and the Milken Institute to supplement their core courses and expose them to practitioner insights.



## Promotion, Communication and Analysis to Stimulate Africa's Capital Markets

September 21, 2016

Joining us from Standard Chartered Bank's offices in Dubai, Eytayo Netufo (Director in Standard Chartered's Africa capital markets business) engaged the IFC-MI Fellows in a discussion around three themes: (i) how to develop a well-coordinated global investor and rating agency relations strategy, from the perspective of finance ministry and central bank officials; (ii) deepening domestic capital access in developing and emerging economies; and (iii) conventional and emerging deal structures in global bond markets—including sovereign, State-Owned Enterprise and sub-sovereign bond funding options. Eytayo gave the Fellows valuable tips on how to better promote foreign and domestic investment in their home economies. Standard Chartered also invited all IFC-MI Fellows to attend the cocktail reception held on October 6, on the occasion of the IMF/WB fall meetings.



## Navigating Corporate Governance and Equity in Emerging Markets

September 28, 2016

Teresa Barger, CEO at Cartica Capital, engaged the IFC-MI Fellows in outside-the-box thinking on the role of equity and corporate governance in global capital markets. This exposed to Fellows to the role of active ownership investors in emerging markets, whose investments can help reduce concentrated ownership in these markets and enhance

### Publicly-Held Companies: Emerging Markets

How do listed companies break down by control group?

All EM listed companies 100% = +/- 5500 companies*		10 Year Returns**
15%	Widely-held	48%
15%	State-Controlled	0%
70%	Family-Controlled	120%
	Founder-Controlled	150%

Source: Cartica and Forster

\* MSCI EM Countries with market caps over US\$500 million

\*\* Source: Ecstrat

One study says SOEs represent 35% of EMs, excluding small companies



## Debt Capital Markets in Africa

October 5, 2016

Megan McDonald, Global Head of Debt Primary Markets with Standard Bank, shared her experiences from her involvement in the structuring and placement of over US\$20 billion of transactions in the African debt capital markets. In lively discussion with the Fellows, she gave detailed examples of Standard Bank's business in Eurobonds, Islamic finance and local currency bonds in Africa. In closing the session Megan urged the Fellows to "stretch yourself to do the hard work, to do what you think is impossible, because when it comes to your country's development the results are worth it."

# CMP Professors

Core courses in the Capital Markets Program are taught by a dedicated and distinguished group of George Washington University School of Business Professors



Reid W. Click is the Faculty Director for the IFC-MI Capital Markets Program. He received his PhD in economics and international business from the University of Chicago in 1994. He teaches courses in international financial management, international business strategy, and international economics.

Dr. Click's academic research has been published in leading journals. He is the coauthor of a textbook, *The Theory and Practice of International Financial Management*, and coedited two volumes of *International Finance Review*.

Dr. Click has been a consultant for several international organizations, including ASEAN, UNDP, the World Bank and Goldman Sachs Asset Management, and has been a Visiting Researcher at the International Centre for the Study of East Asian Development in Japan.

# A Note from the IFC-MI Fellows

*The Fellows provide a glimpse into their classrooms and experiences in the Capital Markets Program*



Madalitso Mandiwa from the Ministry of Finance of Malawi, and Daniel Warutere from the Capital Markets Authority of Kenya, share their career objectives and personal ambitions for capital-market development with the Milken Institute's Staci Warden and Mike Milken

**“During our Capital Markets Luncheon on September 23, I was surprised by the amount of information to which I was exposed in just three hours. The interaction with Mike Milken, Jingdong Hua, Steven Knapp and all the participants was a great opportunity to network and learn. In those three hours my sole focus on capital markets shifted to a broader perspective that encompasses wider aspects of life and prosperity, and of our continent’s future, which starts now.”**



**Eden Mabilana**  
Trader  
Bank of Mozambique

## Professor’s Note

“The IFC-MI Fellows are such a pleasure to interact with. They engage very actively with all the senior practitioners who participate in the weekly IFC-MI Speaker Series. I am repeatedly impressed by the technical detail of their questions, their enthusiasm and eagerness to hear more from the IFC-MI Speakers, and the depth of the insights they share with their classmates. And what a great opportunity for the Speakers as well, who can stay in touch with the Fellows throughout their careers as part of the program’s Fellows & Alumni Network! Every Speaker leaves the classroom keen to keep the conversation going.”

-Dr. Reid W. Click, Faculty Director for the IFC-MI Capital Markets Program

# Technical Insights

## Bloomberg's Take on Market Intelligence: from Fed Forward Guidance to Forex Risk and Volatility

September 21, 2016

Over a sandwich-lunch Stephen Jonathan, Foreign Exchange and Economics Specialist with Bloomberg, introduced the IFC-MI Fellows to how Bloomberg analysts size up market problems and identify solutions. By drilling down into Fed FOMC statements as well as into Bloomberg's Africa Market Briefs, he illustrated how central bankers and regulators both in the US and in emerging markets regularly use such analysis and forecasting tools for a range of functions, such as: surveillance and compliance when tracking the 'plumbing' of financial market deals; currency trading over Bloomberg terminals; and monitoring risk tolerance and volatility in their own economies.



## Conversation with IFC Senior Staff and Country Delegates

On October 6, over a wine and cheese reception on the IFC treasury trading floor, IFC-MI Fellows joined delegates of African countries to the World Bank Group-IMF annual meetings and senior IFC staff for a meet-and-greet. The fellows shared their ambitions—and the mandate they have received from their governments—to return to their countries and lead the development of their domestic capital markets.

Jingdong Hua, Vice President and Treasurer; Oumar Seydi and Vera Songwe, IFC's Regional Directors for Africa, stressed Africa's critical need for deep and robust capital markets, and expressed their commitment to support the process. The Fellows also heard from IFC client Christian Agossa, Director-General of Board Titrisation, about the importance of human capital and leadership. The evening ended on a high note with expectations firmly placed on the participants to bring about a positive impact on developing capital markets as an effective channel for economic growth.

# Upcoming Events

Many CMP events are open to program partners

October  
**18**

**The Nuts and Bolts of the Sukuk**  
Interactive webinar with the International Center for Education in Islamic Finance

October  
**26**

**IFC-MI Speaker Series:**  
Investment Managers' and Private Equity Investors' take on African Markets

October  
**27**

**Milken Institute Innovative Finance Webinar:**  
Financial Innovations for Infrastructure Investment



**Immaculate Nakato**  
Open Market Operations  
Bank of Uganda

**“The weekly Speaker Series, combined with the Capital Markets Luncheon on September 23, have made a real impact on me.... I have a lot of work to do back home. I now realize that capital-market development doesn't happen in isolation of economic policies. And we really have to get started to make an impact, without waiting for someone else to do it for us.”**

The Capital Markets Program looks to draw from a wide range of experts to participate as speakers or to engage with Fellows through internships. Applications for the next class of IFC-MI Fellows also open this fall. If you or your organization is interested in becoming involved in this unique program, please contact Carole Biau at [cbiau@milkeninstitute.org](mailto:cbiau@milkeninstitute.org) or (202) 336 8942.



**CAPITAL MARKETS PROGRAM**

at The George Washington University