

THE CLARITAS QUARTERLY NEWSLETTER

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FEATURES

The Biological Component of Behavioral Finance

Behavioral finance, which is often used to explain irrational moves in financial markets, emphasizes the importance of psychological influences on investor behavior. But focusing on only the psychological drivers of irrational behavior may overlook important biological components that also destabilize financial markets. Irrational decisions, loss aversion, and mispriced risk have been linked to hormones found in the human body.

Once More Undo the Breach (PDF)

To protect financial data, firms must become more resilient and learn how to respond to attacks "because they're not going away," says cybersecurity expert Bruce Schneier. After the online breach of JPMorgan Chase, cybersecurity awareness is growing in the financial world. But what exactly is cybersecurity (and cybervulnerability)? What can or cannot be done to make sensitive information more secure?



Photo by Geoffrey Stone

Bruce Schneier

Global Market Sentiment Survey

Providing insight to those in the finance industry worldwide, the 2015 CFA Institute Global Market Sentiment Survey (GMSS) reflects the views and expectations of respected experts in the industry on financial markets, integrity, and performance for the coming year. You can interact with the report in regards to [What Could Move Markets](#) and [Top Ethical Issues](#). The full report is available [here \(PDF\)](#).



House of Debt: Leverage, Emerging Market Volatility, and the US Recovery (video)

Many claim that the anemic economic recovery since the Great Recession is because of the severity of the downturn, but others believe that the US economy has been in a period of secular stagnation (little to no growth) for several years, masked by easy access to credit that has distorted economic reality. Various causes of the stagnation include the substitution of capital for labor, the increased productivity of capital, and most importantly, greater income inequality. An article of the presentation is also available [here \(PDF\)](#).

MORE RECOMMENDATIONS

Edelman Trust Barometer 2015: Finance Services Industry Still Has Room for Improvement

The results of the 2015 Edelman Trust Barometer—which measure attitudes about the state of trust in business, government, nongovernmental organizations (NGOs), and media across 25 countries—reflect the myriad negative occurrences that filled the world's news in 2014. Such events as the spread of Ebola, air disasters, foreign exchange rate rigging, among others have led to a large decrease in trust.

Six Ways Millennials Are Using Money That You're Not

Every generation has unique attitudes, values, and quirks that distinguish it from its parent generation. Baby boomers largely rebelled against the more conservative environment of their parents, and millennials have set themselves apart as well. Two of the most distinguishing features of millennials are increasingly high levels of education and technological prowess. These new attitudes are remarkably reflected in how millennials use money.

Connecting the Dots: From US Shale Oil to London Real Estate

What do US shale oil and London real estate have in common? A lot, it turns out. And if oil prices keep falling, the London (and for that matter Paris) property bubble(s) will burst. So, if you want to avoid the carnage of short real estate bubbles, builders, or banks in Europe, focus on the US energy sector and OPEC. Many investors are blinded by too narrow a focus, something the author calls micro-macro bias.

Whither Hong Kong? (PDF)

Hong Kong has been counting the cost of the disruptions caused by recent anti-government protests. Over the long term, however, the bigger worry lies in the protests' impact on the future of Hong Kong.

"Bring It"—Interviewing for Job Offers and Opportunities

Everyone agrees that preparation is the key to a great interview. But what should you focus on during your preparation time that will inspire hiring managers to make not just an offer, but also their best offer, in terms of compensation and opportunity? Patricia Buchek walks you through the anatomy of the five-stage interview and shares her insights into key rapport-building moments in an interview. The webinar interface allows you to navigate through the presentation to the sections of the most interest.

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