

REDEFINING FINANCE RECRUITING & TRAINING

Bloomberg Aptitude Test (BAT)
Bloomberg Market Concepts (BMC)

51.5° N

0.12° E

BLOOMBERG L.P.

Bloomberg, the global business and financial information and news leader, gives influential decision makers a critical edge by connecting them to a dynamic network of information, people and ideas. The company's strength – delivering data, news and analytics through innovative technology, quickly and accurately – is at the core of the Bloomberg Professional service, which provides real time financial information to more than 320,000 subscribers globally.



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Tradebook



Bloomberg
INSTITUTE



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GOVERNMENT

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BNA

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Bloomberg
Business

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TELEVISION

Bloomberg
RADIO

Bloomberg
NEWS

Bloomberg
Businessweek

We partner with over 700 universities worldwide to have Bloomberg Terminals and finance labs on their campuses.

BLOOMBERG IN THE MEDIA

**The
Economist**

““Smart money” cannot live without the Bloomberg’s wealth of statistical information, analytical software and communication links. It provides a window on the world’s financial flows.”

The New York Times

“Bloomberg is the web that weaves together much of the global financial ecosystem.”

**BUSINESS
INSIDER**

“The whole financial sector is hugely reliant on Bloomberg's systems.”

FT FINANCIAL
TIMES

“Bloomberg has become an implicit source of identity and cultural attachment for financiers. Having a Bloomberg has become tantamount to being part of the club of the modern global financial elite.”

“Bloomberg created one of the world’s first cyber villages, which stretches from Seattle and Shanghai to Sydney and Stockholm. Only a small cadre of highly trained people will ever understand how the terminals work.”

“Bloomberg screens have become the central nervous system of finance.”

WHAT PROFESSORS SAY ABOUT BLOOMBERG

Baruch

"If you had said five years ago that Baruch students would be getting front-office jobs in investment banking, people would be very skeptical. Now, they know the technology, they walk the walk"

Richard Holowczak, Director of Wasserman Trading Floor, Baruch



"Our kids are getting jobs on Wall Street that they couldn't get before, because now they have experience with the same hardware and software they find on Wall Street"

Bob Kendi, Finance Professor, Director of The Philip Rauch Center, Lehigh



"Students with hands-on trading room experience often have a better chance at landing a good job because they can save their employer 6 to 12 months of training time"

John J Siam, Associate Professor of Finance, McMaster University



"Graduates of the trading room program will be at a competitive advantage...Employers will find these graduates economically attractive because they will not have to spend significant time and money training them"

Eurico Ferreira, Finance Professor, Indiana State



ST. CLOUD STATE
UNIVERSITY

"It is obvious that finance students being able to operate the Bloomberg terminal would be stronger in today's competitive job market. By familiarizing our students with Bloomberg functions, we aim to equip our students to be stronger candidates on the competitive job market"

Hihua Li, Finance professor, St Cloud State University



We are trying to give little edge against the ivy league

Rich Jakotowicz, Director, Lerner College Trading Center, University of Delaware

"One of the original aims of the school's trading room was to attract the attention of Wall Street recruiters. This initiative was highly successful. My students are able to go to intern interviews and say they have familiarity with Bloomberg, have bloomberg certification."

Amy Whittaker, Managing Director of Trading Room, Bentley University



Certification has the potential to make the students more marketable. An internship is only ten weeks. 95% of all jobs come from internships. If you are Bloomberg certified, you get a leg up on the competition

Karen Hogan, Finance Professor, St. Joseph's

BOOM IN FINANCE LAB CONSTRUCTION



1997



1999



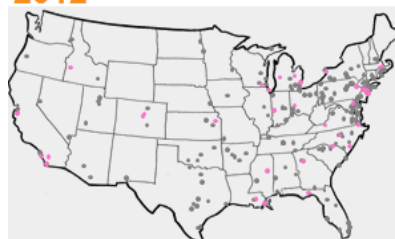
2002



2008



2012



2014



BLOOMBERG INSTITUTE

LEVELING THE PLAYING FIELD OF FINANCE RECRUITING

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ABOUT BLOOMBERG INSTITUTE

Bloomberg Institute is the educational division of Bloomberg LP and infuses financial recruiting and training with the same transparency, efficiency and clarity we bring to our core business.







- Two hour, 100 multiple choice question finance aptitude exam
- Taken by over 250,000 students in 60+ countries at over 3,500 universities



- Self paced, e-learning course that provides a visual introduction to the financial markets
- Four modules: Economic Indicators, Currencies, Fixed Income & Equities

BMC CONTENT

Bloomberg Market Concepts (BMC) is a 6-hour, self-paced e-learning course that provides a visual introduction to the financial markets. BMC consists of 4 modules - Economics, Currencies, Fixed Income and Equities - woven together from proprietary Bloomberg data, news, analytics and television. The course is available through the Bloomberg Institute website or on the Bloomberg Terminal through the function BMC <GO>.

Module	Topics Covered	Functions Leveraged
	Economic Indicators <ul style="list-style-type: none"> • The Primacy of GDP • Monitoring GDP • Forecasting GDP 	<ul style="list-style-type: none"> • ESNP, ECST, ECOW, GP • WECO, ECOS • ECFC, ECSU
	Currencies <ul style="list-style-type: none"> • Currency Market Mechanics • Currency Valuation • Central Banks & Currencies • Currency Risk 	<ul style="list-style-type: none"> • ECTR, FXCA, PEG, WIRA, FXTF • FXC, WBG • IFMO • FXFX, WGO, FXFM, FRD, PTOE
	Fixed Income <ul style="list-style-type: none"> • The Roots of the Bond Market • Bond Valuation Drivers • Central Banks & Interest Rates • The Yield Curve & Why It Matters • Movements in the Yield Curve 	<ul style="list-style-type: none"> • WCAP, SRCH, BUDG, DEBT, STNI • CAST, DDIS, GY, RATD, CSDR • CRPR, FOMC, WCDM, WIRP, SOVR • GEW, ILBE • GC, BYFC
	Equities <ul style="list-style-type: none"> • Introducing the Stock Market • The Nature of Equities • Equities Research • Absolute Valuation • Relative Valuation 	<ul style="list-style-type: none"> • EQS, IPO, GIP, WEI, SECF, MEMB • TRA, MRR, FA, EVTS, DES, CCB • ICS, SPLC, BI, EM, SURP, EA, GIPT • NI, EEG, WACC, CRP, BETA, EV • DVD, GF, WPE, PEBD, RV, RVC

BMC FEATURES



121 Quizzes, case studies and knowledge-checks



70 Terminal functions



Global outlook

BMC

Score Report Summary

OVERALL STATS

Category	Score	Percentage
Overall	85	85%
Group Average	80%	80%
Group Median	82%	82%
Group Range	75% - 90%	75% - 90%
Lowest Score	75%	75%
Best Performing Question	95	95%
Worst Performing Question	80	80%
Average Time to Complete Course	7.56 hours	

STATS BY MODULE

Module	Score	Percentage
Group Average	80%	80%
Group Median	82%	82%
Group Range	75% - 90%	75% - 90%
Lowest Score	75%	75%
Best Performing Question	95	95%
Worst Performing Question	80	80%

SCORES BY STUDENT

Student	Score	Percentage
Bill, Steve	85%	85%
Steve, John	80%	80%
Charlie, George	82%	82%
Tim, Mary	72%	72%
Mike, James	85%	85%

Professor report




Analytics & annotations




Historic context

QUIZZES, CASE STUDIES AND KNOWLEDGE CHECKS

In 2014, many emerging markets besides Rwanda issued debt. For example, Kenya borrowed \$1.5B for a 6.875% yield, Zambia borrowed \$1B for an 8.625% yield, and Ecuador borrowed \$2B for a 7.950% yield. Why would international investors lend such large sums to developing economies?

☐ Due to strong economic growth prospects of those countries 


☒ Because the yield is far higher than available on U.S. government bonds 


Click the forward arrow when finished reviewing your answer.

Why would investors have bought the very instruments that were downgraded?

☐ A one-notch downgrade is a trivial move.

☐ Investors overlooked the affair as a "manufactured crisis" with no bearing on bond valuations.

☒ Yields typically decline when credit ratings decline. 

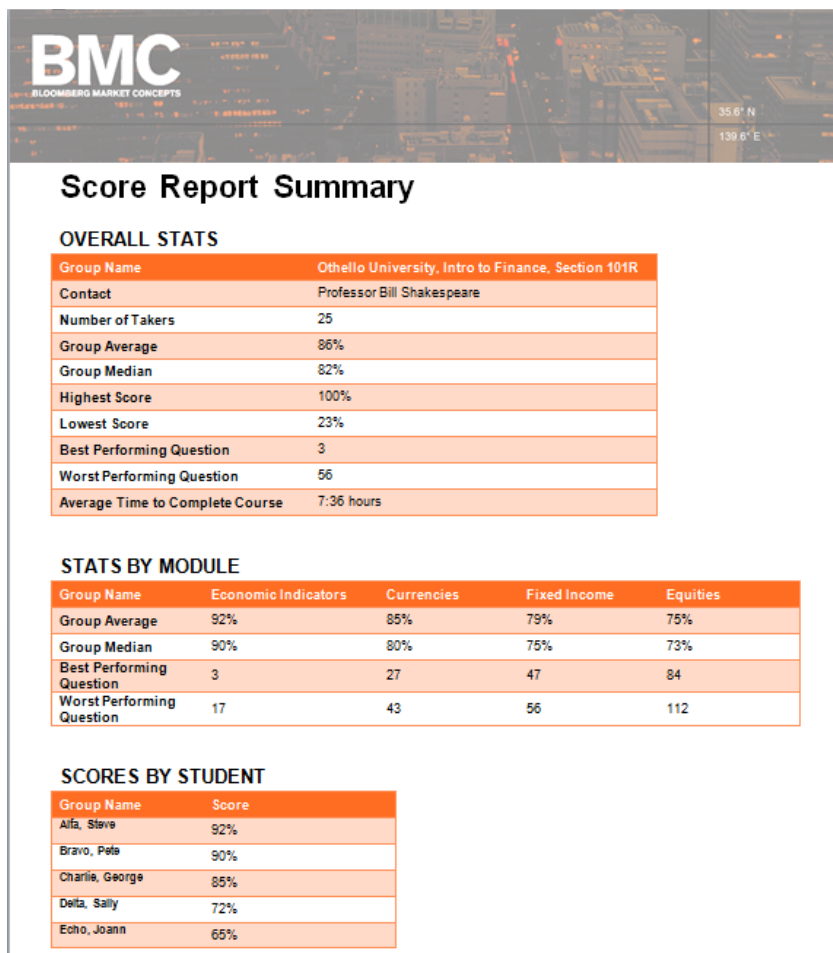
☐ The "safe haven" nature of U.S. government bonds was alluring amidst rising volatility. 

INCORRECT. The U.S. had a top credit rating since 1941. The downgrade was momentous and had investors' full attention. While the crisis was manufactured by politicians, it plainly did affect bond yields. When credit ratings are cut, this typically pushes bond prices down and yields up. In this case, however, the fear and uncertainty in the market drove investors into the arms of Uncle Sam. They did what they normally do in times of crisis and bought bonds, thereby pushing the yields down. As the downgrade was driven by politicking and not genuine credit concerns, the "safe haven" nature of U.S. government bonds predominated over the momentous, yet cosmetic, downgrade. The seeming paradox was not so paradoxical after all.

Click the forward arrow when finished reviewing your answer.

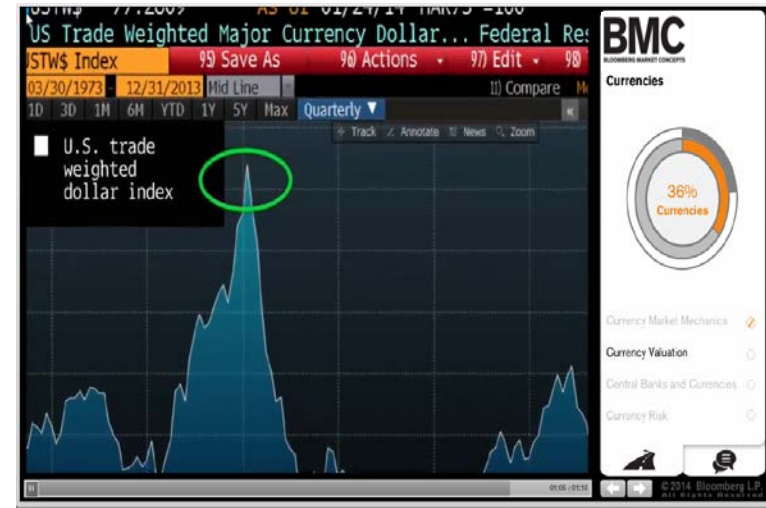
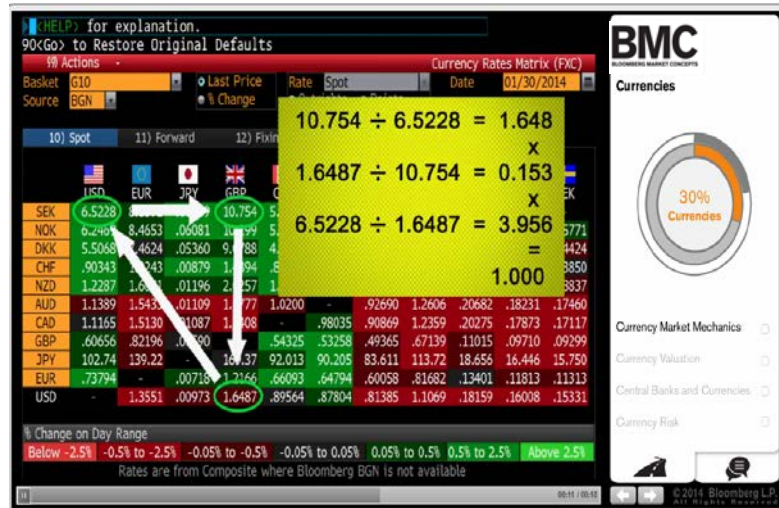
- 121 quizzes, case studies and knowledge checks throughout the entire course
- Learning reinforcements
- The answer to a question is shown immediately along with in-depth explanations for why each of the answer choices is correct or incorrect

PROFESSOR SCORE REPORT



- Available if BMC is integrated into the syllabus
- Average performance of the cohort
- Individual student performance & time taken to complete
- Reports are for the sole use of the professor

EXCERPTS FROM BMC



APPENDIX

PROFESSOR SYLLABUS

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ECONOMIC INDICATORS

LEARNING OUTCOMES	SUBMODULE	KEY CONTENT	FUNCTIONS
<ul style="list-style-type: none"> • Discover the regiment upon which economic indicators are published and analyzed. • Identify how investors use economic indicators to gauge the health of the economy. • Explain the qualities of good economic indicators. • Explore how economic indicators can be used to spot inflection points. 	The Primacy of GDP	<ul style="list-style-type: none"> • The health of the economy sets the climate for investing, and the number one barometer of economic health is real GDP growth. • Real GDP growth is cyclical and it is vital for investors to take a view on where the economy is in the cycle. • Developed economies are awash with economic indicators which serve as lenses for investors. • Indicators with predictive qualities are eagerly consumed by investors. 	ESNP, ECST, ECOW, GP
	Monitoring GDP	<ul style="list-style-type: none"> • GDP in most countries tends to be quarterly and takes a while for agencies to calculate. Therefore, it is not sufficiently timely for the investment community. • By the time the official GDP statistics are announced, they tend to be yesterday's news. • Investors instead indirectly get a more timely feel for the economy through monthly economic indicators, many of which strongly correlate with GDP. • The indicators that are published first, such as PMI and nonfarm payrolls in the U.S., therefore attract the most attention. 	WECO, ECOS
	Forecasting GDP	<ul style="list-style-type: none"> • Analysts publish forecasts of the most important economic indicators. • Long-term economic estimates are foundational and are used as inputs to a wide of array of financial models. • Economic optimism and pessimism can be directly observed through changes in economic estimates. Material changes in economic estimates often denote that the economy is at an inflection point. • No one economic indicator is a silver bullet, but investors often creatively assemble mosaics of indicators to predict turning points. 	ECFC, ECSU

LEARNING OUTCOMES	SUBMODULE	KEY CONTENT	FUNCTIONS
<ul style="list-style-type: none"> • Explore the history and mechanics of currency markets. • Identify the three main drivers of currency valuation. • Discover the role of central banks in guarding against inflation and deflation. • Demonstrate how investors and businesses are affected by currency markets and how they manage currency risk. 	Currency Market Mechanics	<ul style="list-style-type: none"> • According to the Bank of International Settlements, over \$5T of currencies are transacted each day. • Currencies used to be locked to the U.S. dollar which, in turn, was locked to gold at \$35 per ounce. In 1971, the U.S. suspended the gold conversion window and many currencies started floating freely. This was the dawn of the modern currency market. • Several countries peg their currencies to those of other countries (typically the U.S. dollar or the euro) in order to foster stability and contain inflation. • Pegs are problematic when the economic performance of the pegged currency deviates from that of the country it is pegged to. There have been several examples of spectacular revaluations when pegs break down. • Non-pegged currencies float in a matrix of currency pairs kept in check by a process known as triangular arbitrage. • 85% of all FX trades involve the U.S. dollar, and U.S. dollars are typically used to build FX reserves due to their liquidity and stability. The U.S. dollar is frequently used as a central currency through which two less liquid currencies are converted. 	ECTR, FXCA, PEG, WIRA, FXTF
	Currency Valuation	<ul style="list-style-type: none"> • Since the breakdown of the link between paper currencies and gold in 1971, currency valuations have been purely relative between the paper currencies. When quoting a currency value, it is important to understand which currency is the numerator and which is the denominator. • A close approximation to absolute currency valuation is afforded by trade-weighted baskets. • In the long run, goods and services should cost the same no matter where they are in the world. • In the short run, which is more important to most investors, there are three drivers of currency valuation: <ul style="list-style-type: none"> • Surprise changes in interest rates. This is because, all else being equal, currencies with higher interest rates are more attractive. • Surprise changes in inflation. This is because, all else being equal, currencies with lower inflation are more attractive. • Surprise changes in trade. This is because, all else being equal, countries that are major net exporters have more attractive currencies. 	FXC, WBG
	Central Banks and Currencies	<ul style="list-style-type: none"> • Central bankers control short-term interest rates, which in turn exert a strong influence over inflation. Central bankers are thereby pivotal to currency valuation. • Developed economies typically target 2% inflation in an effort to guard against both inflation and deflation. • If inflation takes hold, it can be very hard for the central bank to contain, once prices start to rise and workers receive catch-up pay increases, which push prices higher still. • Deflation is rarer than inflation but sets off a vicious cycle whereby businesses and consumers defer purchases, setting off further economic weakness. 	IFMO
	Currency Risk	<ul style="list-style-type: none"> • Any corporation or investor making a cross-border investment fears currency movements. • There are two key ways to understand currency risk: observing historic volatility and examining currency rate forecasts. • Investors and corporations can use forward agreements to lock in currency rates in the future. This is facilitated by the differing opinions on the future among market participants. If investors have a belief about future currency rates materially different from the consensus, there may be an opportunity to lock the rate. 	FXFC, WGO, FXFM, FRD, PTOE

LEARNING OUTCOMES	SUB-MODULE	KEY CONTENT	FUNCTIONS
<ul style="list-style-type: none"> Discover how the bond market became the biggest, most complex market in the world and how it serves a vital public service. Describe how yields facilitate comparison across the vast diversity of the bond market. Describe how government bond yields are a yardstick by which all other investments are measured. Describe how bond markets instill discipline in governments around the world. Discover why, when, and how central banks make interest rate decisions. Explore how bond valuation is driven by creditworthiness, inflation, and central bank interest rates. Describe the importance of the yield curve to businesses and consumers around the world. Interpret the meaning of the four major shifts in the yield curve and the meaning of curve inversion. 	The Roots of the Bond Market	<ul style="list-style-type: none"> “Fixed income” or “the bond market” are fancy words for the trading of loan agreements. Fixed income is called fixed income because the borrower promises to pay fixed, pre-agreed repayments at future dates. The increased spending of governments over the last century is the main growth driver of the largest market in the world. U.S. government bonds are the most basic building blocks of the financial markets because they are safe and liquid. Fundamentally, investors care about the income that bonds provide, and thus bonds of all shapes and sizes are compared using their yields. 	WCAP, SRCH, BUDG, DEBT, STNI
	Bond Valuation Drivers	<ul style="list-style-type: none"> Bond yields facilitate comparison between bonds by calculating what an equivalent bank deposit rate would be for the duration of the bond. The three biggest risks facing borrowers are not being paid back, having inflation eat into the repayments, and interest rates going up. The see-saw relationship between prices and yields instills discipline in governments because investor worries about not getting paid back makes future borrowing more expensive for less-creditworthy governments. Short-term borrowers tend to be charged lower interest rates but can have the rug pulled out when they try to roll over the debt. Inflation is corrosive to bondholders as it diminishes the purchasing power of the repayments to the bond holder. It therefore sends bond prices down and bond yields up. U.S. government bond yields provide a risk-free return. Therefore, all other bonds have to be priced competitively with U.S. government bonds, taking into account differences in risk. 	CAST, DDIS, GY, RATD, CSDR, CRPR
	Central Bankers & Interest Rates	<ul style="list-style-type: none"> Both inflation and deflation have a tendency to spiral out of control, and it is the job of central banks to stop that from happening. In the 1960s and 1970s, inflation was high around the world, which made bonds a poor investment. Ever since then, bond investors have been keenly attuned to any signs of inflation. Central banks not only study inflation statistics but also measure the difference between actual and potential economic output to look for impending inflation or deflation problems. Central banks have two main tools to regulate money supply – interest rates and their influence over where consumers and businesses believe interest rates are headed. Short-term interest rates have proven to be somewhat effective over the past few decades to course-correct the economy. 	FOMC, WCDM, WIRP, SOVR
	The Yield Curve & Why It Matters	<ul style="list-style-type: none"> The yield curve is a depiction of the cost of borrowing for various periods of time. The natural order is for the yield curve to go from bottom left to top right as there is a greater chance of stuff going wrong over the long run. When companies borrow, the interest rates on the loans are set in reference to the government borrowing rate. When consumers borrow to make big-ticket purchases, the interest rate they pay is also influenced by the government borrowing rate. The Fed is at the heart of the world financial markets and can thereby influence consumer and business decisions around the world. 	GEW, ILBE
	Movements in the Yield Curve	<ul style="list-style-type: none"> The left-hand end of the yield curve is simply set by the central bank, and so it only moves when the central bank changes interest rates. The right-hand end of the yield curve is set by bond traders' beliefs of future interest rates and inflation. While the left-hand end of the yield curve is locked, the right-hand end floats freely. This means that the gradient of the curve is rich with meaning. As the economy improves, bond traders think rates will go up to rein in inflation and so they sell longer-term bonds to get ahead of the price declines. Prices down, yields up, curve steepening. As the economy deteriorates, bond traders think rates will go down so they buy longer-term bonds to get out ahead of price increases. Prices up, yields down, curve flattening. If the economy is in really poor shape, bond traders may push the long end down so much that the curve becomes downwardly sloping - often an indicator of impending recession. 	GC, BYFC

LEARNING OUTCOMES	SUB-MODULE	KEY CONTENT	FUNCTIONS
<ul style="list-style-type: none"> • Calculate equity index performance from the performance of single stocks. • Explore the nature and allure of equity ownership. • Identify why equities are more volatile than bonds. • Describe how industry and supply chain analysis is foundational to equity research. • Discover how the use of accurate industry drivers facilitates accurate earnings forecasts. • Describe the five-step absolute valuation process and the attendant pitfalls. • Identify the three types of relative valuation and the role of future earnings growth when assessing fair value. 	Introducing the Stock Market	<ul style="list-style-type: none"> • Companies list on the stock market through Initial Public Offerings for several reasons, such as raising money to expand or enabling the owners to sell their stakes. • Companies delist from the stock market for several reasons, such as when they are acquired, when they go bankrupt, or when they decide that that being a public company is too onerous. • Investors keep track of the stock market through indices, which can track many things such as a particular country, industry, or companies of a certain size. • The weighted performance of index members determines the performance of the index itself. 	EQS, IPO, GIP, WEI, SECF, MEMB
	The Nature of Equities	<ul style="list-style-type: none"> • Equities confer the right to residual earnings and net assets of a company. • Stocks are more volatile than bonds because earnings are volatile and not pre-ordained unlike fixed income repayments. • Shareholders benefit in two ways from owning shares: The price may go up and they may get regular dividend payments as well. • The range of possible returns for shareholders is asymmetrical. The most equity investors can lose is 100% (i.e. everything) but, on the flipside, they can multiply their original investment by hundreds of percent if the company does well. 	TRA, MRR, FA, EVTS, DES
	Equity Research	<ul style="list-style-type: none"> • Each industry has its own outlook. Therefore, the first question that an analyst must ask when valuing a company is "what industry or industries does the company operate in?" • Financial projections require industry market sizing estimates, market share forecasts, and cost breakdowns. • Analysts look for causal, intuitive linkages to understand historic company performance, and these drivers are foundational to earnings estimates. • Revenues, costs, and earnings are regularly disclosed in company results announcements. The results are then compared to estimates to determine how well a company is doing. 	CCB, ICS, SPLC, BI, EM, SURP, EA, GIPT, NI
	Absolute Valuation	<ul style="list-style-type: none"> • Absolute valuation involves the long-term guesstimation of company profits and the calculation of how much those profits are worth today. The main driver, therefore, is how well you think the company will perform. • Profits in the long-term are discounted more than profits in the short-term. Profits of riskier companies are discounted more than profits of safer companies. A bird in the hand is worth two in the bush. • Financial models are simplifications of reality. The trick is to be simple enough to understand while approximating reality i.e. to be simple but not simplistic. • The advantages of absolute valuation are its precision, rigor, and link to the fundamental performance of the company. • The disadvantages are the need to make long-term predictions, laboriousness, and the sensitivity of the output to small tweaks to the inputs. 	EEG, WACC, CRP, BETA, EV
	Relative Valuation	<ul style="list-style-type: none"> • Relative valuation is quick, easy, and intuitive. It involves comparing the company in question to its own historic valuation, its peer group, or the market. • The drawbacks are its imprecision, its subjectivity, and its inability to spot generalized over or under valuation. • Investors calculate what they think share prices should be by multiplying the estimated earnings per share by what they consider a fair P/E ratio. Share prices therefore yo-yo for two reasons: Changes in earnings and changes in the P/E ratio. • Determining a fair P/E ratio hinges on how fast you think company earnings will grow. A fast growing company likely warrants a higher P/E ratio than a company in decline. • The most important driver of share prices is earnings growth. This is strongly influenced by the state of the economy. This is why equity investors pay close attention to economic indicators. 	DVD, GF, WPE, PEBD, RV, RVC