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The Economic Pulse-Taker

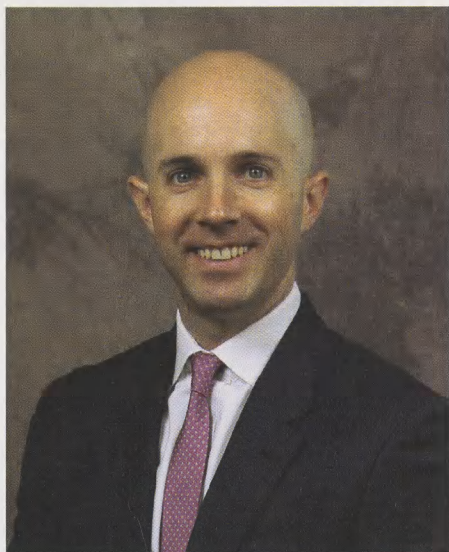
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THE ECONOMIC PULSE-TAKER



Mark Cabana '02 helps global investors analyze interest rates.

BY ANDY PETERS '92

The U.S. economy is at a pivotal point. Are we about to enter another recession, or is the economy more likely to continue its current path of steady, albeit slow, growth?

These are the thoughts that occupy Mark Cabana '02 seemingly at all hours, even as he commutes to and from work on the New York City subway. Interest rates – the price paid to borrow money – give essential clues to the direction of the economy and

live at the center of Cabana's professional expertise.

As the head of U.S. interest rates strategy at Bank of America Merrill Lynch, it's his job to collect data and insights from all corners of the global economy, synthesize that information and form opinions on the direction interest rates may move. Institutional investors pay a handsome sum to get inside Cabana's head and know what he's thinking.

It's a place where the 40-year-old Manhattan

resident never thought he would be.

"I've had a very windy road to Wall Street," Cabana says. "I never would have imagined when I was a student at Furman that I would be working on Wall Street. I didn't understand it and I didn't have an interest in it."

After majoring in political science and Asian studies at Furman, Cabana taught English in China for a year while serving in the Peace Corps.

Katherine Kaup, the James B. Duke Professor of Asian Studies, helped steer Cabana toward the cultures and politics of Asia. It was Cabana's time in China that helped trigger his interest in global finance.

"I learned there how much economics matter to people and cultures," he says.

He earned a graduate degree in international economics at Johns Hopkins University. After a nine-year stint at the Federal Reserve Bank of New York, Cabana joined Bank of America Merrill Lynch in 2015.

Cabana writes dozens of reports a year, which are distributed to the bank's clients: mutual funds, insurance companies, pension funds, any organization with billions of dollars to invest. He also travels the world – Europe, Asia and throughout North America – to meet with bank clients to offer his views and glean new findings.

"You're talking to a whole host of people around the world, trying to figure out what their thoughts are," he says.

As for his own views on the economy, Cabana admits it's tricky to analyze the current

situation. Uncertainty over the trade war between the U.S. and China has led to an increase in uncertainty among investors.

While he expects the economy to slow to a below-average pace, Cabana says he does expect the U.S. economy to avoid a recession.

Cabana acknowledges that the ideas and terms used in the world of business and economic news can often seem like inside baseball to the layperson. He offers concepts that everyone should know to help improve their financial literacy:

- Financial markets are all about supply and demand. It really is that simple.
- Financial markets are only a reflection of how economics, politics and culture come together at a single point in time.

"I had always assumed, prior to becoming an economist, that financial markets were greedy and evil and contained things that were not of the utmost integrity. But that's not true," Cabana says. "Financial markets are only where supply and demand meet and where everything is intertwined."

- Finally, read the financial press.

"I find that in a world of extraordinarily biased media on both sides," he says, "the financial press can be one of the most independent and nonbiased sources of information." ♦

Editor's note: This story was completed prior to the COVID-19 pandemic and the economic fallout that followed.