

Contemporary issues in finance

Finance



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Financial News The recent developments in different national financial systems could relate to recent events in the contemporary financial world and all the different financial changes and market processes would be examined here. Changes in the world financial markets and extreme market volatility have led in turn to changes in global financial systems. With financial changes, there are structural changes in the financial market and with financial excesses, a hazardous financial environment has formed. There may be certain defects in the financial condition and structure of markets and there have been fluctuations in prices, bonds, and currencies with turbulence in the financial markets. According to financial reports, the latest changes in financial markets and prices would predict greater volatility in the market for the future years. There are also predictable oscillations and changes in credits and investments by companies suggesting a general trend towards major changes in financial markets, and fluctuations in currencies and investment flow as also fluctuations in bonds and prices. Regulation of financial institutions (Allen, 2001) and markets is a necessity along with the formulation of proper monetary policies so that there is some stability in the market.

This website suggests several issues - the changes in the financial markets in the last few years and the necessary measures that are required to bring in financial stability in the world markets. The focus is on the housing sector and subprime mortgage issues that have recently crumbled many major banking institutions. The structural changes in financial markets have produced changes in the value of securities and investments and with changes in credit demands, businesses and households will go through economic expansions and certain financial institutions seem to be

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pressurized in meeting up those demands.

Recent changes in the financial nature of markets suggest volatility and fluctuations possibly due to rapid globalization and socioeconomic changes. With globalization, there is a deregulation of markets, greater use of financial instruments and greater fluctuations in equities, bonds, commodities, etc. It is important to understand the value of credit creation, investments, and structural changes for regulating any form of financial excess (Carlin and Mayer, 2003). In fact, any kind of financial excess cannot be prevented but it is possible to take necessary steps to mitigate these excesses and the risks involved. Thus regulation of the financial markets would be one of the most important steps in dealing with the changes in the market. For example, recent changes in markets and volatility caused by the Iraq war and also later by the financial schemes and mortgage problems in the housing sector have led to several structural changes in the markets and consumers have been negatively affected. In this context, the sub-prime mortgage crisis and problems with home loans could be emphasized and the mortgage market has changed the housing sector's financial and investment decisions significantly in recent years (Barr, 2007). In fact, there may be a predictable housing sector burnout and crunch with a steep fall in demand for houses and fall of prices.