Unit 6 Discussion

[Name of the Writer]

[Name of the Institution]

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**Annuities**

**Systemic risk evaluates the probability and extent of negative consequences to the larger body. For example, the government has a record of intervening in the event of probable bank failure; the government's larger concern is the negative impact on bank customers. Some call this a government bail-out.**

**Discuss the effect on stock market investor confidence should bank customers, individuals and businesses alike, lose access to savings and undergo a loss of future purchasing power due to a bank failure.**

The stock market or stock exchange is the place or market where shares of companies (publically held firms/companies) are issued and traded among investors. These shares are issued and traded through counter markets or through the exchanges (Gentry, & Milano, 1998). In similar words, stock exchange or the stock market is a market where financial securities of companies are issued and sold by the companies to generate funds and money for the purpose of investments in productive projects or business expansion.

In the stock market, the investor is the person or body who invest funds and shows trust and confidence in the market. The confidence level and interest of investors would be lower if the companies or firms, customers and other bodies lose their access or strong-ness of their access to the savings. In stock markets or in investments, most of the individuals or investors are interested in money generation (Beck, & Levine, 2004). While some say that this is difficult to come by and easy to lose.

I think if the investors of a stock market think that the access was lost, then they will be scrambling to find another or alternate way to take their investments or funds from the stock market and take their amounts or funds from the others’ hands. This will be a sense of anxiety and panic. Although we might not see all amount of money in our own hands or control to know that you are getting the amount of money by putting not many efforts as an advantage or benefit.

**References**

Gentry, W. M., & Milano, J. (1998). Taxes and Investment in Annuities (No. w6525). National Bureau of Economic Research.

Beck, T., & Levine, R. (2004). Stock markets, banks, and growth: Panel evidence. Journal of Banking & Finance, 28(3), 423-442.