WEEK 4 — CLASS 2 (Board)

Topic: Market Forecasting & Economic Indicators

Grammar Focus: Future Forms for Prediction (will, might, is likely to, is expected to)

CFA Vocabulary: forecast, inflation, interest rates, liquidity, growth, contraction, indicators, GDP

Vocabulary

1. **forecast** — prediction of future performance
2. **inflation** — general increase in prices
3. **interest rates** — cost of borrowing money
4. **liquidity** — how easily assets can be converted to cash
5. **growth** — expansion of the economy
6. **contraction** — decrease in economic activity
7. **GDP** — **(Gross Domestic Product)** the total value of all goods and services produced within a country during a specific period (usually one year or one quarter). It's one of the most important **economic indicators** used to measure the size and health of an economy.
8. **economic indicators** — data used to evaluate the economy

GRAMMAR REVIEW — Future Forms for Prediction

1. will — strong prediction

Used when the trend is clear or almost certain.

Structure: will + base verb

Examples:

- "Inflation **will rise** next quarter."
- "GDP **will grow** this year."

2. might — low probability / uncertainty

Used when the outcome is unclear.

Structure: might + base verb

Examples:

- "The market **might fall** if inflation rises."
- "Growth **might slow down** during a downturn."

3. is likely to — high probability

Used when indicators show a strong trend.

Structure: is/are likely to + base verb

Examples:

- "Interest rates **are likely to increase**."
- "Liquidity **is likely to improve** after Q3."

4. is expected to — expert analysis / formal reports

Used in financial forecasts and CFA-style writing.

Structure: is/are expected to + base verb

Examples:

- "GDP **is expected to grow** next year."
- "Corporate earnings **are expected to rise** in Q4."

Next Class: (prepare)

Three predictions about the economy using different future forms.