

Summary

National and International Financial Markets

Class 2022/23 – Prof. Felipe Guija & Luis Moreno

Objectives

This course focuses on introducing financial markets and participants, on exploring equity, fixed income, foreign exchange and derivatives markets, on analyzing globalization, financial crises and regulations and also on evaluating current financial news and events.

Contents

1. Basics of financial markets: structure and function, types of financial instruments: stocks, bonds, and derivatives, and the role of intermediaries.
2. Financial market trends: interest rates, inflation and market volatility, as well as their impacts on the financial markets.
3. Risk and return of different financial instruments and investment strategies: the importance of diversification.
4. National and International financial systems: the roles of central banks, government policies and international financial institutions.
5. Impact of globalization on financial markets, the rise of emerging markets and the impact of global economic events on national economies.
6. Ethical and social issues related to financial markets.

Learning Outcomes

Upon completion of the subject the student will:

- Describe the different types of financial markets and their functions, including equity markets, fixed income markets, foreign exchange markets, and derivatives markets, and their role in managing financial risk.
- Explain the role of central banks in financial markets, including their impact on interest rates and monetary policy.
- Analyze the performance of stock markets using market indices, such as the S&P 500 or the Dow Jones Industrial Average.
- Apply the concept of foreign exchange risk to analyze the impact of exchange rates on global trade and investments.
- Evaluate the impact of globalization on financial markets and international trade.
- Analyze the causes and consequences of major financial crises
- Describe the role of financial regulation in maintaining market stability and protecting investors.
- Analyze current events and news related to financial markets, and apply their knowledge to make informed decisions about investments and financial management.

Method

Sessions are planned to cover contents with theories and tools guided by the teacher and supported with workshops in combination with press articles, papers, videos and reflections to foster critical thinking and to encourage a structured creativity process of the students.

Assessment Criteria

Students will be evaluated individually, according to the following criteria:

1. Continuous assessment: Attendance, Active Participation, Individual and Workgroups Presentations
70%
2. Final Exam 30%

In order to apply the weighting criteria, the student must have obtained a minimum score of five points in both factors.

Bibliography

Benjamin Graham. (1949). The Intelligent Investor

Burton Malkiel. (1973). A Random Walk Down Wall Street

Michael Lewis. (2010). The Big Short

Paul Krugman and Maurice Obstfeld. (2014). International Finance: Theory and Policy

Frederic S. Mishkin and Stanley G. Eakins. (2014). Financial Markets and Institutions

ECTS 6 (40 hours)