

COURSE OUTLINES: BF2229 Global Financial Markets and Institutions

Academic Year	2022	Semester	2
Course Coordinator	Lee Boon Keng		
Course Code	BF2229		
Course Title	Global Financial Markets and Institutions		
Pre-requisites	NIL		
No of AUs	3		
Contact Hours	3 hrs per week X 13 weeks		
Proposal Date	29 September 2022		
A) Course Aims			
<p>The aim of this course is to determine and understand forces and institutions impacting the global financial market. In particular, it treats central banking policy as a major force in shaping capital movements and market dynamics. Some of the questions the course will attempt to answer are:</p> <p>(1) How do central banking policies impact the global financial market?</p> <p>(2) What are key economic and market indicators that can help us determine the direction of the financial market.</p> <p>Students interested in a career in of asset and wealth management, capital markets and trading should take this course.</p>			
B) Intended Learning Outcomes (ILO)/Objectives			
<p>The learning outcomes/objectives of this course are:</p> <ol style="list-style-type: none"> 1. Explain factors and institutions that move the financial market; 2. Identify sources of financial data and information in various financial platforms; 3. Analyse financial market data and information to make investment decisions. 			
C) Course Content			
S/N			
1	Perspectives on the Global Financial Market	<ul style="list-style-type: none"> – Major global financial events – Frenzies and crashes: Cause and effect 	
2	Central Banking Policy	<ul style="list-style-type: none"> – Central bank policy objective – Monetary policy under inflationary expectations – Monetary policy under deflationary expectations 	
3	The Federal Reserve	<ul style="list-style-type: none"> – The FOMC: Structure, Biases and Forecasts – Economic Indicators: Understanding and Analysing the economy 	

4	Monetary Authority of Singapore	<ul style="list-style-type: none"> – Why manage exchange rate as monetary policy – The Impossible Trinity – The NEER
5	Market Signals	<ul style="list-style-type: none"> – Money market <ul style="list-style-type: none"> – Inter-bank rates – TED and OIS spreads – Credit market <ul style="list-style-type: none"> – Yield Curve – Credit spreads – CDS spreads – Equity market <ul style="list-style-type: none"> – Market breath – Short interest – VIX – Seasonality

D) Assessment (includes both continuous and summative assessment)

Component	ILO Tested	NBS Learning Goal (Refer to Appendix 1 for list)	Weightage	Team/ Individual	Assessment Rubrics (attach rubrics in appendix)
1. Quiz	ILO 2	Acquisition of Knowledge	15%	Individual	N.A
2. Assignment	ILO 1, 2, 3	Critical Thinking, Written Communication	30%	Individual	Appendix 1: BF2229 Assessment Rubric
3. Group Project	ILO 1, 2, 3	Critical Thinking, Written Communication, Teamwork & Interpersonal Skills	30%	Group	Appendix 1: BF2229 Assessment Rubric Appendix 4: Teamwork & Interpersonal Skills (Peer Evaluation) Rubric
4. Class Participation	ILO 1, 2, 3	Oral Communication	15%	Individual	Appendix 3: BF2229 Class Participation Rubric
5. Presentation of Group Project	ILO 1, 2, 3	Critical Thinking, Oral Communication	10%	Individual	Appendix 2: BF2229 Presentation Rubric
Total			100%		

Important Notes:

1. There will be 1 individual assignment. The topic will be based on current issues in the global financial market. Students are expected to submit a report of no more than 5 pages using platforms like Bloomberg and/or Refinitiv for data and information for analyses.
2. There will be 1 group project. The topic for the project will be determined by each group. The topic should be an analysis of issues related to the financial market and/or the broad economy. It should not be a company analysis or a country outlook. Each group will submit a 10-page report for the group project. Students must use data and information from Bloomberg and/or Refinitiv.
3. Peer evaluation is required for each group. You will be graded down if **every** member in the group feels that you have not carried your weight in the project. Hence, it is important that the peer evaluation is done seriously.

E) Formative feedback

Feedback will be provided for both individual assignment and group report after they are graded. Feedback will also be provided during the group project presentations.

F) Learning and Teaching approach

Approach	How does this approach support you in achieving the learning outcomes?
Seminars	The interactive seminar session where there are ample opportunities for open discussion on the conceptual questions raised in the class allows you to think critically and share your ideas and concept with the class. This also allows me to get the concepts clearly through the entire class by involving you and ensure that the targeted learning outcomes are being achieved. The seminars will also train you on how to use both Bloomberg and Refinitiv to perform analysis on the global financial market.
Individual assignment	There will be 1 individual assignment. Topics will be based on current issues in the global financial market. Students are expected to submit a report of no more than 5 pages using platforms like Bloomberg and/or Refinitiv for data and information for analyses
Group Project	There will be 1 group project. The topic for the project will be determined by each group. The topic should be an analysis of issues related to the financial market and/or the broad economy. It should not be a company analysis or a country outlook. Each group will submit a 10-page report for the group project. Students must use data and information from Bloomberg and/or Refinitiv.

G) Reading and References

- There is no textbook for this course. The following are for reference:

Two must watch videos:

1. “How the Economic Machine Works,” by Ray Dalio of Bridgewater:
<http://www.youtube.com/watch?v=PHeObXAluk0>
2. “Where do we go from here?” by Andres Velasco, former Finance Minister of Chile:
<http://www.youtube.com/watch?v=56BGJ5wtVhk>

Two good books to read:

1. “The Worldly Philosophers,” by Robert Heilbroner.
2. “Reminiscences of a Stock Operator,” by Edwin Lefevre.

Reference Book

1. “Macroeconomics,” 12th Ed, by Dornbusch, Fischer and Startz

H) Course Policies and Student Responsibilities**(1) General**

You are expected to complete all assignments and project submit them on their due dates. You are expected to attend all seminars punctually.

(2) Absenteeism

Absence from class without a valid reason will affect your overall course grade. Valid reasons include falling sick supported by a medical certificate and participation in NTU’s approved activities supported by an excuse letter from the relevant bodies.

If you miss a seminar, you must inform the course instructor via email prior to the start of the class.

I) Academic Integrity

Good academic work depends on honesty and ethical behaviour. The quality of your work as a student relies on adhering to the principles of academic integrity and to the NTU Honour Code, a set of values shared by the whole university community. Truth, Trust and Justice are at the core of NTU’s shared values.

As a student, it is important that you recognize your responsibilities in understanding and applying the principles of academic integrity in all the work you do at NTU. Not knowing what is involved in maintaining academic integrity does not excuse academic dishonesty. You need to actively equip yourself with strategies to avoid all forms of academic dishonesty, including plagiarism, academic fraud, collusion and cheating. If you are uncertain of the definitions of any of these terms, you should go to the [academic integrity website](#) for more information. Consult your instructor(s) if you need any clarification about the requirements of academic integrity in the course.

J) Course Instructors				
Instructor	Office Location	Phone	Email	Consultation Hours
Lee Boon Keng (Assoc Prof)	S3-B1-B53	67904250	boonkeng@ntu.edu.sg	By appointment
K) Planned Weekly Schedule				
Week	Topic	ILO	Readings/ Activities	
1 – 2	Perspectives on the Global Financial Market	ILO 1	Slides. Class discussion on potential bubbles and crashes.	
3	Bloomberg and Refinitiv	ILO 1,2, 3	How to use Bloomberg and Refinitiv for market analysis.	
4 – 5	Central Banking Policy	ILO 1, 2, 3	Slides. Class discussion on central banking policy in developed and developing markets.	
6 – 7	The Federal Reserve	ILO 1, 2, 3	Slides. Case analysis on Federal Reserve policy.	
8 – 9	Monetary Authority of Singapore	ILO 1, 2, 3	Slides. Case analysis of MAS policy and determination of interest rates in Singapore.	
10	Quiz	ILO 1, 2, 3	Quiz. Discussion on group project topics.	
11 - 12	Market Signals	ILO 1, 2, 3	Slides. Class discussion on key market indicators and where to find them in Bloomberg and Refinitiv.	
13	Group Project Presentation	ILO 1, 2, 3	Group Presentation	

Appendix 1: BF2229 Assessment Rubric (for Individual and Group Project)

Criteria	Performance Evaluation
<p>Analysis (50%)</p> <ul style="list-style-type: none"> • Addresses perspective noted previously, and additional diverse perspectives drawn from outside information • Identifies the salient arguments (reasons and claims) pro and con • Examines the evidence and source of evidence; questions its accuracy, precision, relevance, and completeness • Observe cause and effect and addresses existing or potential consequences • Draws warranted, judicious, non-fallacious conclusions 	<p>Not Yet <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed</p>
<p>Use of Data (30%)</p> <ul style="list-style-type: none"> • Identifies and discusses conclusions, implications, and consequences considering context, assumptions, data, and evidence 	<p>Not Yet <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed</p>

<p>Look and Feel (20%)</p> <ul style="list-style-type: none"> • Effective use of visual aids; information is organized to maximize reader’s understanding • Fonts are easily to be viewed • Organization of ideas and contents clearly creates understanding • Paragraphs contain coherent ideas that are effectively connected with transitions • Writing is well focused and concise, with clear introduction and conclusion. 	<p>Not Yet <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed</p>
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Appendix 2: BF2229 Presentation Rubric (for Group Project Presentation)

Criteria	Performance Evaluation
<p>Articulation (70%)</p> <ul style="list-style-type: none"> • Able to present in a clear manner. 	<p>Not Yet <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed</p>
<p>Question and Answer (30%)</p> <ul style="list-style-type: none"> • Able to answer questions in a clear manner. 	<p>Not Yet <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed</p>

Appendix 3: BF2229 Class Participation Rubric

Traits	Performance		
	1(0-10%)	2(11-50%)	3(51-100%)
Engagement (20%)	Hardly focuses in class (e.g. using mobile phone, unnecessary chatting)	Occasionally engages in distracting activities (e.g. using mobile phone, unnecessary chatting) in class.	Engages fully in class
Contribution frequency (30%)	Does not speak up/contribute in class	Occasionally speaks up/contributes in class	Speaks up/contributes in all classes
Contribution quality (50%)	No contributions/Contributions lack substance	Contributions demonstrate knowledge of subject matter	Contributions are constructive and insightful

Appendix 4: Teamwork & Interpersonal Skills (Peer Evaluation) Rubric**Learning Objective: The ability to work effectively with others in a group setting.**

Traits	Performance	
1. Roles and Responsibility (RR) Behaves professionally by upholding responsibility and assuming accountability for self and others in progressing towards the team's goal.	Scant Unclear about his/her own role; refuses to take a role in the group; insists to work individually and has limited coordination or communication with others.	Substantially Developed Always fulfills responsibilities; performs his/her role within the group with enthusiasm and demonstrates willingness to work collaboratively.
Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed		
2. Communication (CM) Identifies appropriate mechanisms to coordinate and correspond with team members.	Scant Modes of communication are not appropriate, causing confusion and miscommunication among team members.	Substantially Developed Modes of communication are appropriate, and maintaining timely communication and correspondence with team members.
Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed		
3. Conflict Resolution (CR) Resolves conflicts using a variety of approaches.	Scant Does not recognize conflicts or is unwilling to resolve conflicts.	Substantially Developed Consistently resolves conflicts through facilitating open discussion and compromise.
Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed		
4. Contributions (CT) Contributes positive input for the team; effectively utilizes one's knowledge and expertise.	Scant Largely disinterested in working in a group and refuses to participate; observes passively or is unwilling to share information with other team members.	Substantially Developed <u>Actively attends and participates in all activities and provides meaningful contribution in articulating ideas and opinions.</u>
Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed		
5. Relationship (RS) Maintains cooperative interaction with other team members regardless of individual /cultural differences and respects diverse perspectives.	Scant Rarely listens to others and does not acknowledge the opinions that differ from his/her own.	Substantially Developed Engages in respectful relationships with all other members in the team. Embraces and accepts diverse points of view without prejudice.
Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed		

Peer Evaluation Instructions

All members are required to complete a peer evaluation for each member of the team (i.e., including a self-assessment). The completed peer evaluation form must be submitted individually to the instructor immediately after the team project has been submitted for grading. Identity of appraisers will be kept **confidential** and will not be revealed to other team members.

We will use a member's ratings (on a scale ranging from 1 to 7) to award marks for the team project to other members by computing the average rating that a member receives from other members (i.e., excluding each member's self-rating). Each member will be informed of his/her average rating. A member's mark for the team project will be computed as follows:

1. If a member's average rating is ≥ 4 , the member will receive **100%** of the overall mark awarded to the team project.
2. If a member's average rating is < 4 but ≥ 3 , the member will receive **80%** of the overall mark awarded to the team project.
3. If a member's average rating is < 3 but ≥ 2 , the member will receive **50%** of the overall mark awarded to the team project.
4. If a member's average rating is < 2 , the member will receive **30%** of the overall mark awarded to the team project.

A member who has concerns with the ratings given by other team members and/or his/her average rating should immediately consult his/her instructor upon receiving his/her peer evaluation feedback.