BF2211 Global Financial Markets

Course Description and Scope

The aim of this course is to determine and understand the forces 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: What are messages from price movements in the different markets? How do we know when the market is at a heightened level of fear or greed? How can we pool data and information from different markets to perform a holistic analysis? Can we meaningful forecast the market? Which market can we do so more effectively?

Course Learning Objectives

At the end of the course, students will be able to know:
1. WHAT moves the market and why;
2. WHERE to get data and information from various platforms;
3. HOW to analyse the data and information.

Course Assessments

Component	Marks	Individual/Group
Assignments	35	Individual
Quizzes	20	Individual
Project	30	Group
Class participation	15	Individual/Group
Total	**100**	

Proposed Weekly Schedule

Week	Topic	Learning Objectives
1 - 4	Perspectives on the Global Financial Market	– Major global financial events – Frenzies and crashes: Cause and effect

5 - 6	Central Banking Policy	– Central bank policy objective – Monetary policy under inflationary expectations – Monetary policy under deflationary expectations
7	The Federal Reserve	– The FOMC: Structure, Biases and Forecasts – Economic Indicators: Understanding and Analysing the economy
8	Monetary Authority of Singapore	– Why manage exchange rate as monetary policy – The Impossible Trinity – The NEER

9 - 11	Market Signals	– Money market
		  – Inter-bank rates
		  – TED and OIS spreads
		– Credit market
		  – Yield Curve
		  – Credit spreads
		  – CDS spreads
		– Equity market
		  – Market breath
		  – Short interest
		  – VIX
		  – Seasonality

12 - 13	Technical Analysis (If time permits)	– Moving averages – Trend Lines – Technical Indicators – Fibonacci – Elliott Waves