

International financial and foreign exchange markets

Tentative Schedule

Giuseppe Schlitzer, Arianna Ziliotto

Spring Term, A.Y. 2011-2012

Date	Topic
20/02/2012 15.30 - 18.30 Room: C221	Overview of the course (G. Schlitzer, A. Ziliotto) International finance - An introduction (G. Schlitzer) <i>A look at the main players and issues in international finance (institutional investors, central banks and regulators, rating agencies, Bretton Woods Institutions, stock and foreign exchange markets, etc.)</i>
27/02/2012 15.30 - 18.30 Room: C221	International finance and the global economy (A. Ziliotto) <i>The growing importance of international financial flows with a focus on spot FX markets (main players – direct interbank market vs indirect brokerage market –, settlement – CLS –, quoting conventions – American vs European quotation –, reciprocal and cross rates – triangular parity and triangular arbitrage conditions: theory and practical examples–)</i> Textbook chapters: I, II
05/03/2012 15.30 - 18.30 Room: C221	FX markets: between theory and daily practice (A. Ziliotto) <i>A deeper focus on FX market dynamics (a further insight into quoting conventions: the bid-ask spread – practical examples –). An introduction to the forward FX market: technical features, quoting conventions and payoff profile</i> Textbook chapters: II, III
12/03/2012 15.30 - 18.30 Room: C004	The relationship between spot, forward and money market rates (A. Ziliotto) <i>The CIRP and its deviations: theory and practical examples (including bid-ask spread, transaction costs, etc.). How to construct synthetic securities using spot and forward contracts with borrowing and lending (I part)</i> Textbook chapter: VI
19/03/2012 15.30 - 18.30 Room: C221	Currency futures and options (A. Ziliotto) <i>Technical features, quoting conventions and payoff profiles. Currency forwards vs currency futures (settlement and marking-to-market risks). Different instruments for different needs: what are forwards, futures and options used for? Constructing synthetic instruments (II part)</i> Textbook chapter: IV
20/03/2012 15.30 - 18.30 Room: C219	International finance and the macroeconomics of the Balance of Payments (BoP) (G. Schlitzer) <i>Elements of BoP accounting and international reserves management under the different exchange rate regimes. Delving with financial crisis: has the BoP any role to play?</i>
26/03/2012 15.30 - 18.30 Room: C004	FX parity conditions and their deviations – I (A. Ziliotto) <i>The Law of One Price, the PPP (Absolute and Relative versions) and the concept of real exchange rate (theory and practical examples). The CIRP, the UIRP (together with the related Fisher effect) and the Forward Rate Unbiased (both theory and examples)</i> Textbook chapters: V, VI

02/04/2012 15.30 - 18.30 Room: C004	FX parity conditions and their deviations – II (A. Ziliotto) <i>Do the PPP and the IRPs hold in practice? Delving into the available empirical evidence</i> Textbook chapters: V, VI
16/04/2012 15.30 - 18.30 Room: C221	The Balance of Payments (quick recap from a financial perspective) and the models of exchange rate determination – I (A. Ziliotto) <i>The flow and the stock models</i> Textbook chapters: VII, VIII, IX
17/04/2012 15.30 - 18.30 Room: C221	The infrastructure of international finance: historical evolution and current situation (G. Schlitzer) <i>A brief history of international finance from the gold standard to the recent financial crisis. The role of the IMF and the debate about fixed vs flexible exchange rates</i>
23/04/2012 15.30 - 18.30 Room: C004	The Balance of Payments (quick recap from a financial perspective) and the models of exchange rate determination – II (A. Ziliotto) <i>The flow and the stock models</i> Textbook chapters: VII, VIII, IX
07/05/2012 15.30 - 18.30 Room: C004	Working within an international context: arising risks and available mechanisms for hedge (A. Ziliotto) <i>The difference between risk and exposure. How to compute exposures and to evaluate risks, with a major focus on FX risk, country risk and operational risk (theory and practice)</i> Textbook chapters: XIII, XIV, XV
14/05/2012 15.30 - 18.30 Room: C004	FX market efficiency and the art of exchange rate forecasting (A. Ziliotto) <i>Theoretical overview and available empirical evidence: could there be profitable trading strategies?</i> Textbook chapter: XVI
21/05/2012 15.30 - 18.30 Room: C004	Portfolio Investment (A. Ziliotto) <i>Sources and sizes of the gains from diversified international portfolios</i> Textbook chapter: XVIII
22/05/2012 15.30 - 18.30 Room: C221	The current economic and financial crisis (G. Schlitzer) <i>How the current economic and financial crisis originated and developed. From subprime loans to the (possible) fall of the Euro: presentation and debate</i>