

International Financial and Foreign Exchange Markets

A.Y. 2012 - 2013



*Giuseppe Schlitzer (Head of the course),
Arianna Ziliotto (Lecturer)*

Overview

1. Aims of the course
2. Course Delivery
3. Readings
4. Grading
5. Syllabus
6. Prerequisites
7. Office Hours and E-mail Addresses
8. About the Instructors

Aims of the course

1. Understanding the mechanics and the economic rationale behind foreign exchange markets.
2. Mastering the basic principles of international portfolio diversification.
3. Gaining an insight about many current crucial issues concerning international financial markets. Developing a deeper understanding of their likely impact on the global economy.

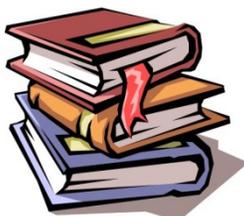
Course delivery I

The course revolves around a continuous blend between the macroeconomics and the microeconomics of international financial markets, while shedding light on daily FX market functioning and trading mechanisms.

Course delivery II

The course will extensively combine theory and practice, with a twofold aim:

Developing a sound
**theoretical
background**



Mastering the basic
**principles of market
trading** and
understanding
**current economic
and financial issues**
on a worldwide scale



Readings

Textbook: *International Finance*, M.D. Levi, 5th edition 2009, Routledge

Slides and additional material provided throughout the course (available on my.liuc.it)

Grading I

- **Attending students:** closed book exam. The final grade will be marked up (3 pts) for all the students attending **at least 12** classes out of 15
- **Non attending students:** closed book exam

Grading II



If so desired by the student, the final grade may be revised (**upwards/ downwards**) by sitting an additional oral examination to be carried out right before the exam's registration

Grading III



Minimum passing grade for the **written examination** (**excluding** the additional points for attendance): 18/30.

Please, note that this is also a **necessary requirement** to be admitted to the final **oral exam**.

Syllabus I

Detailed schedule available on my.liuc.it

1. International financial markets and the global economy;
2. The infrastructure of international finance: from the gold standard to the current economic and financial crisis;
3. Focus on FX market dynamics: quoting conventions, traded instruments, settlement procedures and non-arbitrage relationships;

Syllabus II

4. Exchange rate parity conditions and their empirical relevance;
5. BoP accounting and models of foreign exchange rate determination;
6. Risks, exposures and hedging techniques in an international environment;
7. FX markets efficiency and exchange rate forecasting;
8. International portfolio diversification.

Prerequisites

Though **NOT** strictly required, a sound background in International Economics is warmly recommended.

Some preliminary knowledge of Market Finance and Derivative Instruments will also be of great help.

Office hours (Prof. Schlitzer)

When: 27th March, 29th April, 20th May,
from 14.30 to 15.30 p.m.

Where: Lecture Hall

How: (On request) E-mail confirmation

Office hours (Prof. Ziliotto)

When: Mondays from 18.30 to 19.30 p.m.

Where: Lecture Hall

How: **E-mail confirmation**

Mail & Info

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About the Instructors

Giuseppe Schlitzer (*MPhil Economics*, 1998, George Washington University; *MA Economics*, 1990, University of Chicago; *B. Sc. Economics and Business*, 1986, Università degli Studi di Napoli “Federico II”) is **General Manager and CEO at AITEC** (Associazione Italiana Tecnico Economica del Cemento). He previously held **senior positions at the IMF**, at **Confindustria** as well as at the **Central Bank of Italy**. His main research interests cover the fields of Monetary Economics and International Economics and Business.

Arianna Ziliotto (*PhD*, 2012, Università Cattaneo – LIUC, *Master Degree in Corporate and Market Finance*, 2009, Università Cattaneo – LIUC) is **Risk Manager at Method Investments and Advisory Ltd.** She previously worked as **Derivatives and Fixed Income trader**. Her main research interests cover the fields of Quantitative Finance and Financial Markets Efficiency.