

International Financial and Foreign Exchange Markets

A.Y. 2017 - 2018



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

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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 (extra points for attendance) for all the students attending **at least** 9 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.

Extra points for attendance (12/15)

Attending students (**12 lessons**) will get:

- **3 extra points**, if they sit the final exam by the **end of May 2038**;
- **2 points**, if they sit the final examination by the **'end of July 2038**;
- **1 point**, if they sit the final exam by the **end of September 2038**.
- **No points**, if they sit the final exam **thereafter**.



Extra points for attendance (9/15)

Attending students (**9 lessons**) will get:

- **2 extra points**, if they sit the final exam by the **end of May 2016**;
- **1 point**, if they sit the final examination by the **end of July 2016**;
- **No points**, if they sit the final exam **thereafter**.

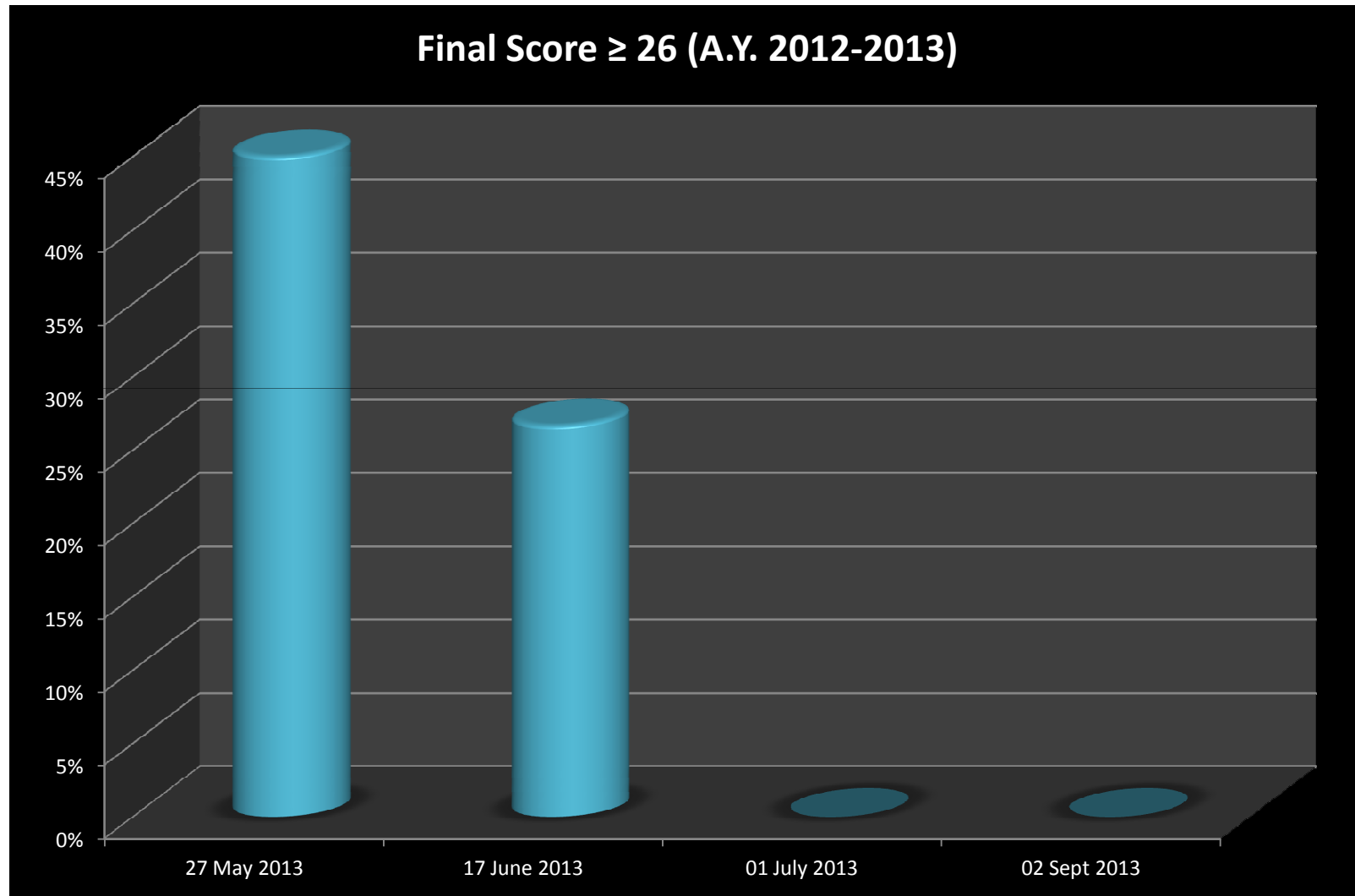


Attendance

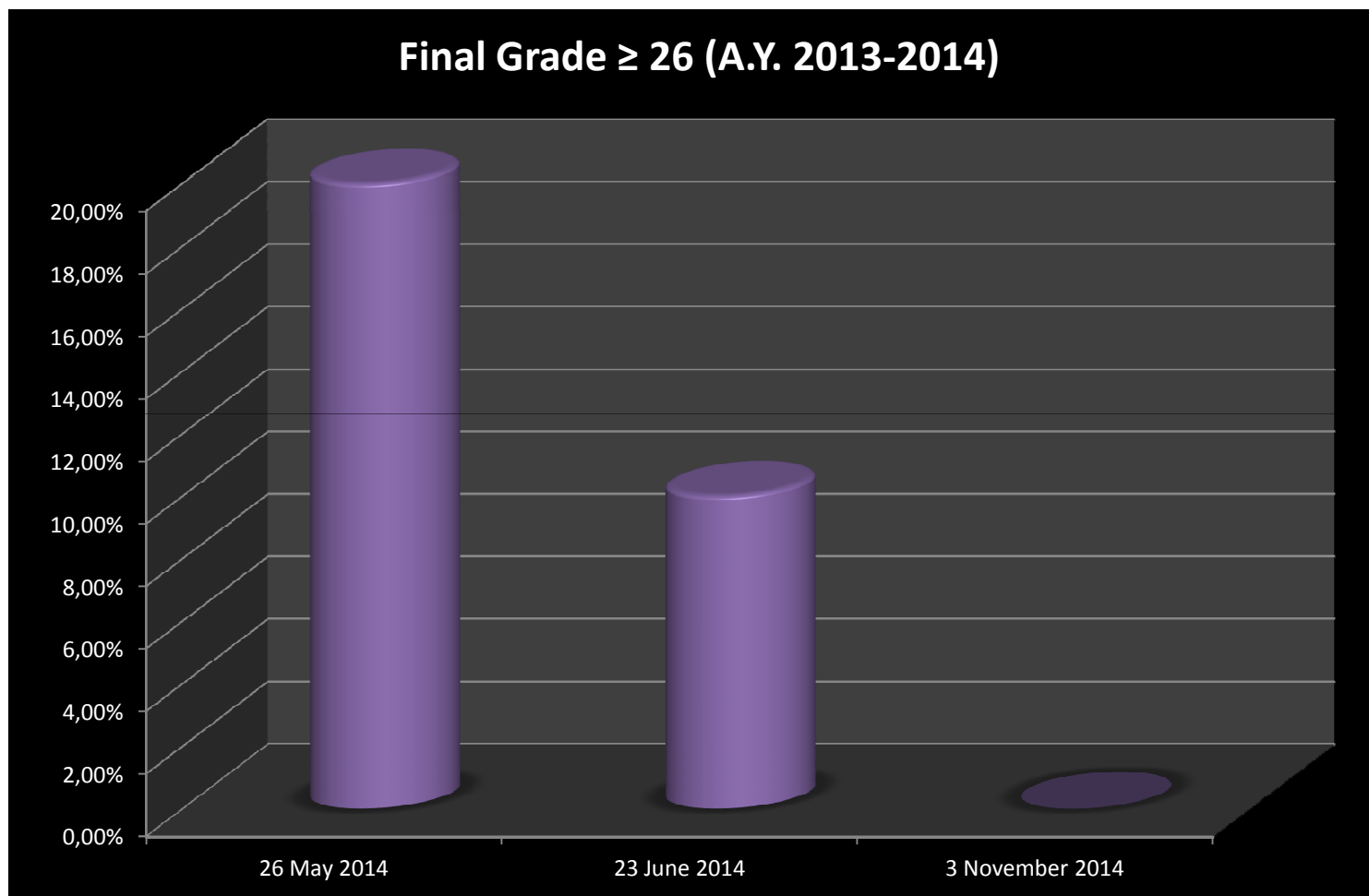


Early leavers and late comers will **NOT** be considered as “attending students”.

The sooner, the better...I



The sooner, the better...II



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. International portfolio diversification;
8. FX markets efficiency and exchange rate forecasting.

Prerequisites

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

Some preliminary knowledge of **Market Finance** and **Derivatives** will also be of great help.

Office hours (Prof. Schlitzer)

When: 18^h March and 15rd April-14.00 -15.00

18th May-14.30 - 15.30

Where: Lecture Hall

How: (On request) E-mail confirmation

Office hours (Prof. Ziliotto)

When: Mondays-18.30 to 19.30

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.