

Course Information	
Subject	Financial Markets
Degree	Master in Finance
Course	First course (One course Master)
Term	First term
ECTS – Credits	3
Type of Course	Mandatory
Department	ICADE Business School

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COURSE SPECIFICS

Context of the Course

Contribution to the professional profile of the master degree.

The course of *Financial Markets* provides students with an understanding of the financing and monetary policies and of their implications on both the main financial markets and on the assets that are negotiated on them (interbank, monetary, fixed income and equity markets).

Class Objectives

- To know the entities that are responsible for i) distribution of financial products, ii) financial advisory and iii) asset management; to understand their different approaches and the diversity of their professional profiles with the objective to enhance the knowledge of the financial industry.
- To develop the proper mind-set to understand a theoretically complex industry through the in-depth analysis of the main concepts that represent the starting point to understand both how financial markets work and more complex financial assets.
- In-depth knowledge of how Central Banks work, with a special focus on ECB, and how they use monetary policy to achieve their objectives.
- To analyze the key role ECB is playing in managing the current financial crisis.
- To understand the main interest rate curves: what they show, how they work and how to benefit from them.

CONTENTS

Contents
Module 1:
Lesson 1: Organization and Structure of the Financial Markets
1.1. Financial intermediation and disintermediation 1.2. Supervisory Bodies 1.3. ECB and Bank of Spain
Lesson 2: Monetary Policy
2.1. Instruments for the single monetary policy 2.2. Money Markets 2.3. FX markets 2.4. Regulatory Auctions
Lesson 3: Financial risks hedging instruments
3.1. Exchange rate hedges (outright) 3.2. FRAs 3.3. Swaps 3.4. Introduction to options and futures
Module 2:
Lesson 1: Fixed Income Markets
1.1. Treasury Bills, Notes and Bonds 1.2. Syndicated Loans 1.3. Bond markets
Lesson 2: Equity Markets
2.1. The Stock market and tradable securities 2.2. Stock Exchange negotiation 2.3. Equity Research 2.4. Collective Investment

Competences	
General competences	
CGB 1. Capacity for analysis and synthesis CGB 2. Problem solving and decision making CGB 3. Capacity for organization and planning CGB 4. Ability to manage information from different sources CGB 5. Advanced computer skills related to field of study CGB 6. Interpersonal skills: listen, argue and debate CGB 7. Leadership and teamwork CGB 8. Critical and self-criticism capacity CGB 9. Ethical commitment CGB 11. Ability to learn and work independently CGB 13. Action and quality orientation CGB 14. Ability to process and transmit ideas, projects , reports, problems and solutions	
Specific competences	
CE 1. To understand the main financial products, the national and international markets and the main financial Institutions that operate in each of them. CE 2. To develop the ability to search and analyze the public information available on Markets and companies with the objective to be able to take investment or financing decisions.	

TEACHING AND LEARNING

General methodology Issues of the course	
Classroom Activities / On-site activities	Competences
Lectures covering the main contents coupled with practical exercises and case studies	CGB1, CGB2, CGB3, CGB4, CGB5, CGB6, CGB7, CGB8, CGB9, CGB11, CGB13, CGB14 CE1 and CE2
Out of Class Activities	Competences
Case studies to be worked individually or in groups outside the normal classroom hours. Search and analysis of information related to the contents of the subject.	CGB1, CGB2, CGB3, CGB4, CGB5, CGB6, CGB7, CGB8, CGB9, CGB11, CGB13, CGB14, CE1 and CE2

EVALUATION AND GRADING CRITERIA

ASSESSMENT SCHEME	CRITERIA	WEIGHT
Final exam (SE1- and SE2 Writing Test with short questions and/or multiple-choice questions)	From 0 to 10. A minimum of 4,9 in the final exam will be required to obtain a Pass grade in the subject	35%
Class Learning and Debating (SE6- Active Participation)	From 0 to 10.	20%
Case studies, class exercises (SE4- individual exercises- SE5- group and SE3- oral presentations)	From 0 to 10.	45%

Class Attendance is mandatory. A minimum of a 75% attendance rate will be required to be eligible for the final exam.

For students that will not obtain a weighted final mark of at least 5.0 in the ordinary period, there will be a second opportunity to take a final exam. The mark achieved in said final exam will be the final mark for the subject.

SUMMARY OF EXPECTED WORKING HOURS							
ATTENDANCE HOURS							
Lectures (AF1)	Presentations (AF2)	Group presentations (AF3)	Exercises, and assessment (AF4)	Class discussion (AF5)	Seminars, workshops, case studies (AF6)	Interdisciplinary activities (AF7)	Simulations (AF8)
2	10	2	10	2	2	0	4
NON-ATTENDANCE HOURS							
Reading, researching, studying and analyzing the material provided (AF9)		Performing assignment and case studies (AF10)		Tutorials (AF11)		Research and co-working (AF12)	
30		6		3		5	
ECTS CREDITS:						ECTS	

BIBLIOGRAPHY

Recommended Bibliography / Basic Bibliography

Textbook

Mercados Financieros I, Cecilio Moral, IT&FI, Madrid 2011
Mercados Financieros II, Cecilio Moral, IT&FI, Madrid 2011
Mercados Financieros III. Casos Prácticos, Cecilio Moral, IF&FI, Madrid 2011
Manual de Corporate Finance y Banca de Inversión, Delta Publicaciones, Primera Edición
Jose Maria Revello de Toro, Borja Zamorano, et al
BCE, La aplicación de la política monetaria en la zona euro, BCE 2008
La estabilidad de precios: ¿por qué es importante para ti?, BCE, 2009

Web Sources

International Financing Review, www.ifre.com
CNMV, www.cnmv.es
Banco de España, www.bde.es
Banco Central Europeo, www.ecb.int
Tesoro Público, www.tesoro.es
www.global-rates.com
www.euribor.org
Bloomberg, www.bloomberg.com
Bolsa de Madrid, www.bolsamadrid.es

Other readings

They will be provided during the course based on financial news

Complementary Bibliography

Textbook

Principios de Finanzas Corporativas, Brealey-Myers, Mc Graw Hill, Madrid 2003
Introducción a los Mercados de Futuros y Opciones, John C. Hull, Pearson, Méjico 2014