

Learning Objectives

- Identify the unique characteristics of financial markets.
- Recognize the types of financial instruments traded in financial markets.
- Recognize how economic variables (such as interest rates and monetary policy) and financial risks impact financial market activity.

CHAPTER 1 – FINANCIAL MARKETS AND INTERMEDIARIES

- 1.1 OVERVIEW
- 1.2 STRUCTURE
- 1.3 PRICING THEORY
- 1.4 FINANCIAL INTERMEDIARIES

CHAPTER 2 – INTEREST RATES

- 2.1 OVERVIEW
- 2.2 DETERMINATION
- 2.3 RISK STRUCTURE
- 2.4 TERM STRUCTURE

CHAPTER 3 – CENTRAL BANKING AND MONETARY POLICY

- 3.1 THE FEDERAL RESERVE SYSTEM
- 3.2 MONETARY POLICY
- 3.3 THE MONEY SUPPLY

CHAPTER 4 – MONEY MARKETS

- 4.1 INTRODUCTION
- 4.2 INSTRUMENTS

CHAPTER 5 – CAPITAL MARKETS (PART I)

- 5.1 THE BOND MARKET
- 5.2 TYPES OF BONDS
- 5.3 THE STOCK MARKET

CHAPTER 6 – CAPITAL MARKETS (PART II)

- 6.1 THE MORTGAGE MARKET
- 6.2 MORTGAGE SECURITIZATION PROCESS
- 6.3 TYPES OF MORTGAGE-BACKED SECURITIES

CHAPTER 7 – FOREIGN EXCHANGE MARKETS

- 7.1 INTRODUCTION
- 7.2 FOREIGN EXCHANGE RATES
- 7.3 FOREIGN EXCHANGE TRANSACTIONS
- 7.4 INTERNATIONAL ARBITRAGE

CHAPTER 8 – DERIVATIVES MARKETS

- 8.1 FINANCIAL RISK MANAGEMENT
- 8.2 FORWARD MARKETS
- 8.3 FUTURES MARKETS
- 8.4 SWAP MARKETS
- 8.5 OPTIONS MARKETS