

Korea Advanced Institute of Science and Technology

Graduate School of Finance and Accounting

Securities Market Analysis (FE 527)

Fall 2013 Course Syllabus

Professor Jooyoung Yun

Description and Objectives

This 8-week course is designed to familiarize students with securities markets. By the end of this course, students are expected to;

- have a practical understanding of various market anomalies in stock markets.
- have gained practical knowledge of fixed income market, commodity market and ETF market instruments.
- have acquired the skills to implement some trading strategies.

Materials

There is no required textbook.

- Course handouts will be posted in “public folder” before classes.

Several academic books that you may find useful for this course are:

- Bodie, Zvi, Alex Kane, and Alan J. Marcus, Investments, McGraw-Hill (any edition).
- Lo, Andrew, 2010, Hedge Funds: An Analytic Perspectives, Princeton University Press.
- François-Serge Lhabitant, 2011, Handbook of Hedge Funds, John Wiley & Sons
- Frank J. Fabozzi, 2008, Handbook of Finance Volume 1, John Wiley & Sons

Requirements and Grading

The letter grade will be determined using the following weights.

- In-class exam (40%)
- Project (30%)
- Assignments (20%)
- Class participation (10%)

Office Hours

Office Hours: TBA , Email: derix@daum.net

Lecture Outline

- I will cover the following topics in detail.
 - For a profound understanding of various market anomalies in stock markets,
 - Size effects, book-to-market effects, momentum effect and return reversal
 - Event study

- For practical knowledge of Absolute return strategies
 - Long-Short strategy, Market Neutral strategy, Statistical strategy
 - Managed Futures strategy
- For practical knowledge of ETF market,
 - Structure and trading mechanism of ETF and trading strategies examples
- For the skills to implement various trading strategies,
 - Smart Beta strategy
 - Style/Sector/Factor Rotation strategy
 - Asset Allocation strategy

Project Outline

- You are supposed to create a trading strategy and present your trading idea first during the class. You first define your strategy type and objective first among
 - Strategic or tactical trading strategy, absolute return strategy, systematic trading strategy and any specific trading schemes
- Upon approval, you should submit term project and your project should include:
 - The observation of investment opportunities (it can be your own observation or the findings of other researchers)
 - Your investment idea and How you would implement your strategy
 - Actual back tested and simulated data

Schedule of Topics and Assignments

DATE	TOPIC	ASSIGNMENTS
Oct. 29	Overview and Trading World	
Nov. 5	Market Inefficiency	Assignment #1 : Market Anomaly
12	Market Inefficiency and Trading Strategies	Assignment #2 : Rotation Strategy Case
19	Sector/Style/Factor Rotation Strategies	Guest Speaker
26	Hedge Fund and Absolute Return Strategies	Guest Speaker
Dec.3	Asset Allocation Strategies	
10	Trading Strategy Proposal	Presentation
17	Exam	