

FIN 6930 Emerging Markets Finance: Part II

Course Description: The Emerging Markets courses will provide an introduction to the essential elements of investing and finance in the emerging markets. The main perspective will be that of an investment manager, but the courses will also provide insights into key macroeconomic policy issues that affect the emerging markets. Part I in module three will focus on the economic and institutional context in which financing by developing countries occurs. Part II in module four will be more granular, focusing on financial instruments and investment strategies in the emerging markets. Part II assumes some knowledge from Part I.

Part II topics:

- Emerging equity markets – ADRs, ETFs, local shares, closed-end funds.
- Emerging debt markets – sovereign bonds, local currency debt, Yankee bonds, Eurobonds, credit default swaps, the credit rating process
- Hedge funds and offshore financial centers
- Risk management
- Emerging markets in a global portfolio
- Estimating the cost of capital in the emerging markets
- Country allocation strategies in the emerging markets.
- Sovereign spreads and emerging market equity returns
- Behavioral finance and investing in the emerging markets.
- Trading costs and program trading.

Prerequisites: This course requires that students either be Master of Science in Finance students *or* have successfully completed FIN 5437 and FIN 5439.