



GLEF3030 Global Financial Markets

25-26 Term 1

Course outline

BASIC INFORMATION

Instructor: Dr. KOT, Hung Wan (葛鴻雲)
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Office hours: Friday 4 pm – 5 pm, or by e-mail appointment
Personal homepage: <https://sites.google.com/site/hungwankot/>

Teaching assistant: Ms. Rain Chan
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Office hours: by e-mail appointment

Class time: Thursday 2:30 pm – 5:15 pm
Class venue: Wong Foo Yuan Bldg UG02
Course web: Blackboard
Interactive platform: Wooclap
Wechat group: Please scan the QR code provided in the class
(**Please do not send request to add my personal Wechat account,**
however, you are welcome to add me after the course completed.)

COURSE DESCRIPTION

The course aims to provide students with a solid foundation in understanding various types of global financial markets and instruments, focusing on relevant theories and stylized facts. The curriculum begins with an overview of financial systems, followed by an introduction to four fundamental markets: money markets, bond markets, stock markets, and mutual fund markets. Building upon this knowledge, six special topics related to the global bond, stock, and mutual fund markets will be further covered. Cryptocurrency is also included in the course.



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This course offers two distinct features. Firstly, we will engage in weekly discussions on current events that occur during the course, enabling students to gain a deeper comprehension of real-time occurrences within financial markets. Secondly, we will establish connections between the course material and the local financial markets of Hong Kong, creating a relevant and practical learning experience for students.

Course objectives:

- to develop a comprehensive understanding of the fundamentals of various financial markets in the global setting.
- to apply the knowledge learned to analyse practical issues in financial markets and related instruments.
- to develop the communication and teamwork skills required to work in the finance industry.

READING MATERIALS

Textbook

Financial Markets & Institutions, F.S. Mishkin & S. G. Eakins, 10th edition, Pearson.

Other learning materials

1. *Financial markets and institutions*, Saunders/Cornett, latest edition, McGraw-Hill
2. *A random walk down Wall Street*, by Burton G. Malkiel, W.W. Norton & Company, latest edition.
3. *Essentials of Investments*, Bodie/Kane/Marcus, latest edition, McGraw-Hill
4. *Financial markets*, online course offered by Robert Shiller from Yale University (<https://www.coursera.org/learn/financial-markets-global#instructors>)

GRADING

Trading simulations	20%
Group project	30%
Exam	50%

Remark:

- No make-up exam, unless for strong reasons with evidence.
- Close book exam. You can bring one A4 size “cheat sheet” (double sides).



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Grade Description

- A Demonstrates the ability to synthesize and apply the principles or subject matter learnt in the course, to novel situations and/ or in novel ways, in a manner that would surpass the normal expectation at this level, and typical of standards that may be common at higher levels of study or research. Has the ability to express the synthesis of ideas or application in a clear and cogent manner.
- A- Demonstrates the ability to state and apply the principles or subject matter learnt in the course to familiar and standard situations in a manner that is logical and comprehensive. Has the ability to express the knowledge or application with clarity.
- B Demonstrates the ability to state and partially apply the principles or subject matter learnt in the course to most (but not all) familiar and standard situations in a manner that is usually logically persuasive. Has the ability to express the knowledge or application in a satisfactory and unambiguous way.
- C Demonstrates the ability to state and apply the principles or subject matter learnt in the course to most (but not all) familiar and standard situations in a manner that is not incorrect but is somewhat fragmented. Has the ability to express the separate pieces of knowledge in an unambiguous way.
- D Demonstrates the ability to state and sometimes apply the principles or subject matter learnt in the course to some simple and familiar situations in a manner that is broadly correct in its essentials. Has the ability to state the knowledge or application in simple terms.
- F Unsatisfactory performance on a number of learning outcomes, OR failure to meet specified assessment requirements.

TRADING SIMULATIONS (INDIVIDUAL, 20%)

- Trading period: September 5 – November 14, 2015
- Trading platform: <https://www.marketwatch.com/games>
- Details referring to **appendix 3**.



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GROUP PROJECT & PRESENTATION (30%)

Form the group

- Self-enrollment in the Blackboard. (Deadline: 14 September 2025)
- Students should form groups themselves, with each group consisting of maximum 5 students.
- Please inform the instructor of any issues regarding free-riding as soon as possible. Last-minute notifications will not be accepted.

Choose topic and progress report presentation

- Students should choose a topic they are interested in investigating. It is advisable to confirm the topic with the instructor beforehand in September.
- Each group is required to deliver a 5-minute presentation on the proposed topic and content during week 6.
- It is preferable to have your own data analysis.

Presentation assessment

- Each group needs to submit hardcopies of their PPT slides before the presentation.
- All group members must attend. Formal attire is preferred.
- The presentation will be assessed based on the following criteria (30%): subject knowledge (10%), PPT format (6%), verbal quality (10%), and teamwork (4%). Marks will be deducted for reading scripts (1 mark per student).
- The duration of the presentation should be limited to 15 minutes.

Proposed topics

- Please refer to **appendix 2**.



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CLASS FEEDBACK

- I will use Google Forms at the end of each class to collect feedback.

BONUS POINTS

Students may earn bonus points of up to 4% in the following cases:

- Presenting the group's progress report (1%)
- Delivering a short presentation on their trading at the beginning of class (1%)
- Outperforming the S&P 500 index in the trading simulation (1%)
- Providing comments or suggestions adopted by the instructor (1%)

LATE SUBMISSION POLICY

- Late submissions for individual trading reports will result in a further reduction of 5% from the full mark of 10%. For instance, if an individual report is graded at 9% but is submitted after the deadline, the final score will be adjusted to 4%. You are allowed a one-day grace period for late submission. Submissions made one day after the deadline will receive a zero score.

CLASS RULES

- Please arrive at class on time and ensure that your mobile phone is switched to silent mode.
- Without permission, students are not allowed to take photos, record audio/video, or livestream during class.
- Students who frequently disrupt the class may have their final grade adjusted downward, e.g., arriving late, leaving early, talking on the phone, etc.
- Students who make substantial contributions to the class may receive an upward adjustment in their final grade. These contributions include but are not limited to actively participating in discussions, engaging in quality question-and-answer sessions, fostering the WeChat group's activity, providing constructive suggestions for class enhancement, and more.



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TEXTBOOK QUESTIONS

- **Appendix 1** includes selected textbook questions for your practice to grasp the related course material and prepare for the exam.
- Solutions are also included. Both the questions and solutions can be found on Blackboard.

ACADEMIC HONESTY AND PLAGIARISM

CUHK has adopted a policy of zero tolerance on cheating in examinations and plagiarism. Per University guidelines, teachers are required to report all cases of suspected plagiarism or cheating in examination to the University Disciplinary Committee for handling. For full details of the disciplinary guidelines and procedures, please refer to Section 6 of “Honesty in Academic Work: A Guide for Students and Teachers” (“The Guidelines”)

<http://www.cuhk.edu.hk/policy/academichonesty/index.htm>.

USE OF AI TOOLS

Approach 3 – Use only with explicit acknowledgement

Students are allowed to use AI tools in any learning activities and/or assessments as long as they explicitly cite or otherwise acknowledge the use of these tools. Details on which AI tools are allowed to use, how these tools ought to be cited or otherwise acknowledged will be spelt out clearly in the course outline or learning activity/assessment guide. Teachers will also help students understand the appropriate uses of these tools and the limits of such usage.



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CONTENTS

Part I: Overview of the financial markets

Part II: Money markets

Part III: Bond markets

1. Fundamentals of the bond markets
2. Topic 1: China's debt problem
3. Topic 2: Sukuk bonds

Part IV: Stock markets

1. Fundamentals of the stock markets
2. Topic 1: Dual-class shares
3. Topic 2: Cross-listing

Part V: Mutual fund markets

1. Fundamentals of the mutual fund markets
2. Topic 1: Index fund and ETF
3. Topic 2: Sovereign Wealth Funds

Part VI: Alternative markets

1. Cryptocurrency



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Tentative Teaching Schedule

Week	Date	Topic/Chapter
1	Sep 4	Syllabus Overall of the financial systems (Ch02)
2	Sep 11	Money market (Ch 11)
3	Sep 18	Bond markets I (Ch 12)
4	Sep 25	Bond markets II: China's debt problem Bond markets III: Sukuk bonds
5	Oct 2	Stock markets I (Ch 13)
6	Oct 9	Stock markets II: Dual-class share <i>Progress report presentation</i>
7	Oct 16	Stock markets III: Cross-listing
8	Oct 23	Mutual fund markets I (Ch 20) Mutual fund markets II: Index funds and ETF
9	Oct 30	Mutual fund markets III: Sovereign Wealth Fund
10	Nov 6	<i>Congregation day, no class</i>
11	Nov 13	Alternative markets: Cryptocurrency Career/Internship sharing by GLEF4070 students (TBC) <i>Trading report submission: November 16, 2025 Sunday</i>
12	Nov 20	<i>Group project presentation</i>
13	Nov 27	<i>Exam</i> (Details will be announced)