

International finance

Module 4, 2021-2022

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Course description

The core of this course is macroeconomic evidence and empirics. The course does not require advanced calculus yet requires good understanding of econometrics.

Course requirements, grading, and attendance policies

Macroeconomics-I, Econometrics-I and II, Asset pricing.

The course grade is based on home assignments (48%) and final exam (52%).

Course contents

Week	Date	Topic	Reading
1		Foreign exchange market, PPP and UIP. 1. FX markets. Rate of return 2. PPP and UIP	[1]
2		Carry trade 1. UIP puzzle 2. Carry trade and other strategies	[2]
3		Exchange rates 1. Commodity currencies 2. Exchange rate predictions	[3]
4		Trade imbalances 1. Trade and capital flows 2. Eurozone, US and China 3. Banking sector after the Financial Crisis	[4]
5		Central Bank and the markets 1. CB impact on the markets 2. Inflation expectations	[5]
6		Market expectations 1. Fed fund rate 2. Inflation 3. Recessions	[5]
7		GDP Growth and other questions 1. Growth prediction 2. Growth and uncertainty 3. Growth and real exchange rate	[6]

Course materials

1. "International Finance: Theory and Policy", Chapter 4
2. "International Finance: Theory and Policy", Chapter 5
3. "International Finance: Theory and Policy", Chapter 6

4. “International Finance: Theory and Policy”, Chapter 3
5. “International Finance: Theory and Policy”, Chapter 7
6. “International Finance: Theory and Policy”, Chapter 13

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.