Investment analysis
Module 4-5, 2023-2024

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Course description

This course provides students with an opportunity to dive into the everyday job of an Investment Research Analyst. We will discuss the role of an Investment Analyst in making investment decisions from the buy-side point of view. The holistic process of decision-making will be considered including such stages as ideas generation, opportunities analysis and monitoring.

The course structure is based on sector investing. Each class will be devoted to the particular industry, its advantages and peculiarities. We will analyze actual investment cases in Sovcombank's portfolio (presented by Sovcombank's analysts). Upon studying each industry, students will look for their own investment ideas based on the given framework.

Course requirements, grading and attendance policies

Students are expected to be familiar with the basics of modern financial markets, firm valuation and fixed income securities. Understanding the concept of competitive advantage is a must — please refer to the required textbooks section. The course is practice-oriented so there will be no single textbook.

There will be 11 classes (note that the course starts on March 1 and ends in May). The classes will be held mostly at Wednesday evenings and take place at the Sovcombank's office (1st Zemelny lane, "Ulitsa 1905 goda" metro station). **Attendance is a must.**

The grading is based on class participation, homework and final project.
The maximum points available for each component is:

Class participation	20 pts
Homework	60 pts
Final project	20 pts
Total	100 pts

Hometasks comprise mainly investment ideas presentations in PDF format on any topic covered in previous classes. The final project is a homework for the last class. We expect you to make an

investment recommendation for any company of your choice, taking into account knowledge you gained during the course. Submission deadlines are to be specified in the project's instructions.

Minimum score of at least 30% is required to pass the course.
Active class participation may add bonus points.

Course contents

An overview of the analyst profession and investment decision-making process
Commodities:
     Oil and gas
     From iron ore to steel
     Non-ferrous metals
     Fertilizers
     Home assignment 1: Investment idea in a commodity producer
Non-cyclical industries:
     Telecommunications
     Energy
     Consumer sector
     Pharma and biotech
     Home assignment 2: Investment idea in a non-cyclical firm
Macroeconomics:
     Sovereign Analysis
     World profits
     Home assignment 3: Investment idea in a sovereign debt
Additional Topics:
     Analyzing a bank
     Banking regulation
     Construction industry
     Project finance
     Final project: PF modelling and valuation

Course materials

Required textbooks and materials
B. Graham, "The Intelligent Investor"
M. Porter, "Competitive strategy"
T. Koller, "Valuation: Measuring and Managing the Value of Companies"
F. Fabozzi, "Bond Markets, Analysis and Strategies"

Additional materials
D. Yergin, "The Prize: The Epic Quest for Oil, Money, and Power"
D. Khotimskiy, "Let's cash in on the crisis of capitalism"
J. Ramirez, "Handbook of Basel 3 Capital"
M. Lewis, "The Big Short"

Academic integrity policy

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