

School of International Education, UIBE

International Finance: System, Market and Investment Opportunities

Syllabus

Professor Ding Dou

dingdou@vip.sina.com

Course Email Box:

Password :

Mission and Vision

Mission

This course instructs international finance, focusing on international financial system, international financial market, and especially, the investment opportunities in the volatile foreign exchange market.

Vision

Upon the completion of the course teaching, the students will be expected to be able:

- 1) To understand better the current international financial structure and market, and its inherent features and deficiencies.
- 2) To gain such skills as how to make smart money in the foreign exchange market and control its equivalent risks.

Class Notice:

1. All lecture PDF will be uploaded into the course e-mail box;
2. Welcome any questions and enquiries inside and outside the class;
3. I will use the **Demo Account** to instruct the class students how to gain such skills as make smart money in **Forex Market** and control its risk.

Grading Criteria

Class attendance: 20%

1. To Visit *China Numismatics Museum*: 10%
2. Short article on international finance theory: 30%
3. Transaction record of Forex Demo Account: 40%
- 4.

Final Exam (both 1 and 2) :

1. short article on international finance theory
2. transaction record of FX demo account (How to open your own FX demo account will be instructed in the late course by the teacher)

Course Schedule:

Lecture	Time	Topic
1	week 1	Course Introduction
2	week 2	Exchange Rate: The Centerpiece of International Finance
3	week 3	The Bretton Woods System (Global Financial System in history)
4	week 4	The Revived Bretton Woods System from mid-1970s to Nowadays (the Ongoing Global Financial System)
5	week 5	USA Big Debt and the Financial Crises Across the World
6	week 6	Foreign Exchange Market (FX Market)
7	week 7	Currency Carry Trade
8	week 8	Can We Predict Price Changes in FX Market?
9	week 9	Fundamental Analysis of FX Market
10	week 10	Technical Analysis of FX Market (1)
11	week 11	Technical Analysis of FX Market (2)
12	week 12	Imitation Training of FX Market investment with Demo Account
13	week 13	To Visit <i>China Numismatics Museum</i>

Course Breakdown:

Lecture 1: Course Introduction

1. What is the financial world we are living
2. The coming financial crisis: imminent or on the horizon
3. To introduce the breakdown of this course

To watch the documentary: *Inside Jobs*, 108 minutes length, 2010 edition

Lecture 2: Exchange Rate: The Centerpiece of International Finance

1. Exchange rate: concept and variety
2. Free floating exchange rate and its currency
3. How the exchange rate influences the economics, and vice versa
4. What determines exchange rate: interest rate shift and its expectation

Lecture 3: The Bretton Woods System (Global Financial System in history)

1. Fixed Exchange Rate system
2. Floating Exchange Rate system
3. Bretton Woods System from 1945 to mid-1970s

4. How the Bretton Woods System determined the running of the world economics.
5. The US dollar hegemony
6. The collapse of Bretton Woods System and the consequent chaos of the world.

Lecture 4: The Revived Bretton Woods System from mid-1970s to Nowadays (the Ongoing Global Financial System)

1. USA's moves to revive US dollar and US economy
2. US dollar regained its hegemony
3. What is the Revived Bretton Woods System?
4. the Revived Bretton Woods System and the Global Imbalance

Lecture 5: USA Big Debt and the Financial Crises Across the World

1. USA Big Debt has been exacerbering
 2. USA Debt and the Global Imbalance
 3. USA Debt always caused the resurgence of financial crises across the world
- To watch the documentary: *I.O.U.S.A.*, 82 minutes length, 2009 edition.

Lecture 6: Foreign Exchange Market (FX Market)

1. Foreign Exchange Market: the Biggest Capital Market in the World
2. The Structure of Foreign Exchange Market
3. The changes in Bond Market is always the leading indicator of FX Market
4. The co-play between Stock Market and FX Market
5. The Incompatible Trinity theory and the capital flows

Lecture 7: Currency Carry Trade

1. Currency Carry Trade and interest rates gap between major countries
2. Carry Trade and the boom of stable commodities
3. Currency Carry Trade: a typical long-term strategy for profits-making
4. Examples with Graphics and Illustration

Lecture 8: Can We Predict Price Changes in FX Market?

1. The Theory of Market Efficiency
2. Forex Price Change Forecast: Walk on the Tight Rope
3. Risk Control is First and then Make Money
- 4, How to Manage Your Account on the base of Risk Control

Lecture 9: Fundamental Analysis of FX Market

1. What is Fundamental Analysis: the changes of fundamental economic indicators
2. The market impulse from big events and breaking news: expected or surprised
3. How to Make FX Transaction Tactics on the support of Fundamental Analysis
4. Examples with Graphics and Illustrations

Lecture 10: Technical Analysis of FX Market (1)

1. Two Price Change Types: Trend and Range

2. How to Tell and Track the Price Trend
3. The Major Technical Indicators: The Moving Average Line
4. The Supportive Technical Indicators: MACD and some other indicators
4. Examples with Graphics and Illustrations

Lecture 11: Technical Analysis of FX Market (2)

1. The Theory of Waves
2. The Magic Fibonacci Sequence
3. A basket of different Candlestick Patterns
4. Examples with Graphics and Illustrations

Lecture 12: Imitation Training of FX Market investment with Demo Account

To demonstrate how to make sensible investment in FX market, by demo account and the In-class Learning Exercises, by demo account

Lecture 13: On-field Study

To Visit *China Numismatics Museum* (It is located near Tiananmen Square)

References:

A. Important sources of changing current affairs of international finance and foreign exchange market:

1. Financial Market Trends - OECD Journal, www.oecd.org/daf/fmt
2. Global Financial Stability Report, Market Update, IMF publication, www.imf.org
3. Euromoney Weekly
4. FX Weekly

B. Books

- 1、 *The Ascent of Money: A Financial History of the World*, Niall Ferguson, The Penguin Press HC. [ISBN 978-1-59420-192-9](https://www.penguin.com/books/978-1-59420-192-9), 2008
- 2、 *Untangling the U.S. Deficit: Evaluating Causes, Cures and Global Imbalance*, Richard A. Iley, Mervyn Lewis, Edward Elgar Publishing, 2007
- 3、 *Globalizing Capital: A History of International Monetary System*, Barry Eichengreen, Princeton University Press, 2008

C. Documentary and Movies

1. NGC Documentary: *The Journey of Humankind: The Power of Money*, 2017
- 2、 BBC Series Documentary: *The Ascent of Money: A Financial History of the World*, 2008, 240 minutes length
- 3、 BBC Series Documentary: *Masters of Money*, 2012
- 4、 PBS Series Documentary: *The Commanding Heights: The Battle for the World Economy*, 2002, nearly six hours length.
- 5、 Five Movies: *Margin Call*, 2011; *The Big Short*, 2015; *Too Big to Fail*, 2011; *The Wolf of Wall Street*, 2013; *La Capital(France)*, 2012.