

Microstructure of financial markets

**ECTS** : 3

**Description du contenu de l'enseignement :**

The field of market microstructure combines theoretical modeling, institutional knowledge, and empirical analysis to understand how prices result from the interactions of traders in financial markets. The course aims to acquaint students with (i) the canonical models in microstructure, and (ii) econometric models used to test the predictions of those models. Course structure:

1. Trading Mechanisms
2. Measuring Liquidity
3. Price Dynamics and Liquidity
4. Trade Size and Market Depth
5. Empirical Analysis

**Compétence à acquérir :**

Master the concepts of financial markets microstructure

**Mode de contrôle des connaissances :**

Evaluation: assignment and final exam

**Bibliographie, lectures recommandées :**

Foucault, Thierry, Marco Pagano, and Ailsa Röell, Market Liquidity: Theory, Evidence, and Policy, Oxford University Press, 2013.

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**Université Paris Dauphine - PSL** - Place du Maréchal de Lattre de Tassigny - 75775 PARIS Cedex 16