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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