Liverpool John Moores University

Title:	FORECASTING FINANCIAL MARKETS
Status:	Definitive
Code:	**7011BUSAE** (100192)
Version Start Date:	01-08-2011

Owning School/Faculty: Liverpool Business School
Teaching School/Faculty: Liverpool Business School

Team	emplid	Leader
Christian Dunis		Y

Academic Level:	FHEQ7	**Credit Value:**	15.00	**Total Delivered Hours:**	54.00
Total Learning Hours:	150	**Private Study:**	96		

Delivery Options
Course typically offered: Semester 2

Component	Contact Hours
Lecture	26.000
Workshop	26.000

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	AS1	Exam	67.0	2.00
Essay	AS2	1 assignment (includes a presentation)	33.0	

Aims

To enable the student to formulate investment decisions using information derived from advanced forecasting techniques.

Learning Outcomes

After completing the module the student should be able to:

1   Use a large variety of forecasting techniques: technical analysis, linear and non-linear parametric models, and non-parametric methods.

2   Critically apply both emerging and more traditional forecasting methodologies to real world financial problems.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

EXAM   1

CW   2

Outline Syllabus

1. Charting analysis
2. Mechanical systems used in technical trading systems.
3. Traditional Time Series Analysis and Financial Econometrics.
4. Asset Allocation Between Models.
5. Time-varying Parameter Models for Financial Time Series
6. Non-parametric Models for Nonlinear Financial Time Series

Learning Activities

The module will consist of standard lectures, tutorials and IT based workshops.

References

Course Material	Book
Author	Alexander, C.
Publishing Year	1998
Title	Risk Managemen t and Analysis Vol 1
Subtitle	
Edition	
Publisher	John Wiley
ISBN	0471979570

Course Material	Book
Author	Alexander, C.
Publishing Year	1998
Title	Risk Management and Analysis Vol 2
Subtitle	
Edition	
Publisher	John Wilsey

ISBN	0471979597

Course Material	Book
Author	Campbell, I. Y, A. W. Lo and A. C. MacKinlay
Publishing Year	1997
Title	The Econometrics of Financial Markets
Subtitle	
Edition	
Publisher	Princeton University Press
ISBN	0691043019

Course Material	Book
Author	Dunis, C. & Feeny, M.
Publishing Year	1990
Title	Exchange Rate Forecasting
Subtitle	
Edition	
Publisher	Irwin
ISBN	1557381003

Course Material	Book
Author	Dunis, C, J. Laws & P. Naim
Publishing Year	2003
Title	Applied Quantitative Methods for Trading and Investment
Subtitle	
Edition	
Publisher	Wiley
ISBN	0470 848855

Course Material	Book
Author	Kaufman, P. J.
Publishing Year	1998
Title	Trading Systems and Methods
Subtitle	
Edition	
Publisher	John Wiley & Sons
ISBN	0471148792

Course Material	Book
Author	Lequeuz, P.
Publishing Year	1999
Title	Financial Markets Tick by Tick
Subtitle	
Edition	
Publisher	John Wiley
ISBN	0471981605

Course Material	Book
Author	Pindyck, R. S. & D. L. Rubinfield
Publishing Year	1998
Title	Econometric Models and Economic Forecasts
Subtitle	
Edition	3rd
Publisher	McGraw-Hill
ISBN	0071158367

Course Material	Book
Author	Pring, M. J.
Publishing Year	1991
Title	Technical Analysis Explained
Subtitle	
Edition	
Publisher	McGraw-Hill
ISBN	0071381937

Course Material	Book
Author	Journal of Forecasting
Publishing Year	0
Title	
Subtitle	
Edition	
Publisher	
ISBN	

Course Material	Book
Author	Journal of Future Markets
Publishing Year	0
Title	
Subtitle	
Edition	
Publisher	
ISBN	

Course Material	Book
Author	Technical Analysis of Stocks and Commodities
Publishing Year	0
Title	
Subtitle	
Edition	
Publisher	
ISBN	

Notes

Recent years have seen an exponential growth in the use of technical and quantitative analysis in fund management and trading. Furthermore, quantitative methods have become essential in the ever more important field of risk management and analysis. Today, financial markets professionals are therefore expected to be able to use a large variety of techniques from their toolbox: technical analysis, linear and nonlinear parametric models, and non-parametric methods.

The coursework provides an opportunity for formative feedback; the examination is the terminal summative assessment.