**FINANCIAL MARKETS AND ALTERNATIVE INVESTMENTS**

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SYLLABUS 2017

This course provides an introduction to the financial markets and asset pricing theories under imperfect information, market participation, and liquidity. In particular, we study the role of hedge funds in the securities markets. Day one quickly discusses the history of modeling financial markets under perfect information and how those models can be useful in trading. On Day 2 we move on to modeling imperfect financial markets, liquidity, and assets’ expected returns. On days 3-5 we examine empirical evidence on the role of hedge funds in the imperfect financial markets. We examine their activities in equity, fixed income, and currency markets.

Lecture times, places and topics are as shown below:

**Day 1:**  
Using continuous time models in trading  
Empirical evidence from options and fixed income

**Day 2:**  
Tuesday 5.9. 10.00-11.30 and 13.15-14.45, G 112 Chydenia Building  
Modeling financial market imperfections and expected returns

**Day 3:**  
Wednesday 6.9. 10.00-11.30 and 13.15-14.45, G 112 Chydenia Building  
Liquidity and short-term reversals  
Trading short-term reversals  
Seasonalities in equity and bond market

**Day 4:**  
Thursday 7.9. 10.00-11.30 and 13.15-14.45, G 112 Chydenia Building  
Hedge funds’ investment strategies in equity  
Hedge funds and market efficiency  
Measuring crowdedness

**Day 5:**  
Friday 8.9. 10.00-11.30 and 13.15-14.45, G 112 Chydenia Building  
Hedge funds’ investment strategies in fixed income  
Currency carry trading