



Investing in Emerging Markets

Globalization trends have allured economic superpowers in a come-and-go fashion throughout the decades. In current times, we witness an upswing in this trend, which allows portfolio managers to diversify local risks by taking active bets in other developed and liquid markets.

Nevertheless, the financial integration that has accompanied these globalization trends, has also brought about an increase in the correlation of returns in the key markets of the world, giving entry to new opportunities and in a way, mandatory steps towards efficient diversification through uncorrelated brave new markets in the emerging world.

The course will show the participant the gains and obstacles of emerging market inclusion in a portfolio as an asset class of its own.

Targeted Audience

Consultants and financial advisors, portfolio managers and risk managers, corporate treasurers, capital and fixed income markets specialists, hedge fund managers and strategists.

Special Offer

Clients who register for this course will receive a complimentary 4-month subscription to FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. The move to the electronic version follows an ongoing review of our environmental responsibilities as a global business and as part of the Pearson group. FT.com also has features that are not available in hard copy, such as: Special Reports, Alphaville, editor blogs, education sections and much more! Subscriptions will start within 6-8 weeks of the start of class and are limited to one subscription per client. (Please note: as of May 1, 2011, the electronic subscription replaces the hard-copy 3-month Financial Times subscription.)

Advance Preparation

No advance preparation required.

Prerequisites

A solid knowledge of basic financial and macroeconomic theories and portfolio management. Essentials of U.S. Capital Markets and Fixed Income Markets I or equivalent knowledge would be helpful.

Learning Objectives

Students will be able to:

- . Demonstrate rooted fundamentals in the analysis tools needed to include emerging markets as a new asset class in their portfolios
- . Discuss confidently on the benefits and obstacles that emerging markets, as an asset class, pose to investors
- . Develop a model to diversify a portfolio with emerging markets assets through the various available channels

Follow-Up Courses

Introduction to Financial Engineering

Fund Selection and Analysis for Professionals

Level: Basic

CPE Credits: 14.0

Instructional Method: Group-Live

Detailed Outline

Day 1 - The Framework and Tools for Analyzing Emerging Markets

Political, Economic and Legal Risk

- . The country risk framework for analyzing emerging markets
- . The taxonomy of crises in the last three decades: banking, currency and current account

Day 2 - Available Vehicles for Emerging Markets Investing

Capital Markets Investing in Emerging Economies

- . The instrument investable universe: market sizes, liquidity, risk and returns
- . The efficient frontier with/without

- . The impact of regulation, openness in financial markets and reforms

Currency Risk and Correlation Risk

- . The modeling, parities and forecast of volatile exchange rates
- . The main hedging vehicles for exchange rate risk: derivatives and accounting strategies
- . Evidence and models to cope with FX risk and correlation risk

emerging stocks

- . Benefits and risks in using emerging markets indices to enhance returns: the long term record

Emerging Economies' Fixed Income and Other Markets

- . The instrument investable universe: market sizes, liquidity, risk and returns
- . Adding emerging bonds and real state to the efficient frontier
- . Benefits and risks in using emerging markets universe of assets to enhance returns: the long term record

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