Course Description

A full course outline will be made available shortly.

Title: Market Microstructure and Decentralised Finance

Dates: Classes are planned to be held on Fridays 2pm-5pm during August-October, but exact dates are still to be confirmed.

Description:

- This subject teaches students about financial markets and their evolution from both applied and research perspectives.
- It starts with the fundamentals: roles and benefits of markets, their design and architectures, measuring market quality, and how markets interact with asset pricing and corporate finance.
- The course provides an overview of market microstructure theory as a way of understanding behaviour and outcomes in markets, and an introduction to empirical methods and metrics to analyse markets.
- It then covers recent innovations and contemporary issues in traditional financial markets, including fragmentation of trading across competing markets, algorithmic and high-frequency trading, dark pools, recent regulation, and market design innovations.
- Finally, it turns to the rapidly evolving area of Decentralised Finance (DeFi), covering the underlying technologies (blockchain, smart contracts), the new market architectures (Decentralised Exchanges (DEX), Automated Market Makers (AMM)), applications (tokenising assets, peer-to-peer lending/borrowing, insurance/derivatives), and finally the challenges, risks, and future research areas.