

C. DETAILED OUTLINE

I. Part A: Research Paper

As you have to come up with the topic on your own, the structure of the research paper will vary depending on the topic you choose. Each topic has its own characteristics and facets to discuss. Therefore, it is best for you to craft the structure based on your topics as soon as possible and ask your lecturer to review it. Further tips will be provided in Part D. This part will provide you an example for **Topic: High Frequency Trading in Equity Markets**

1. Title (less than 15 words)

Example: "High Frequency Trading in Equity Markets"

Tips:

- Keep it concise and descriptive
- Encapsulate the main topic and issues examined

2. Abstract (less than 150 words)

Example:

- High frequency trading (HFT) now dominates equity market activity and liquidity.
- This paper examines HFT impacts on key dimensions of market quality:
 - + Liquidity
 - + Volatility
 - + Price efficiency
- Research and data analysis shows:
 - + HFT improves liquidity and price discovery
 - + But can heighten volatility during crises due to distorted incentives
- Regulations aim to improve HFT stability but risks remain around volatility and fairness.

Tips:

- Briefly summarize the key points only
- Cover purpose, methods, findings and implications
- Use clear, direct language

3. Introduction

Example:

- Background: High frequency trading (HFT) has risen in equity markets, sparking debate on impacts.
- Research Question: What are the benefits and risks of high frequency trading in equity markets?
- Key Issues: Market efficiency, volatility, unfair advantage
- Summary of Findings: Research indicates HFT improves liquidity but also increases volatility and raises policy concerns around fairness.

Tips:

- Provide necessary background/context
- Craft a focused research question to guide analysis
- Identify 3-4 key issues to be examined
- Give brief overview of main findings

4. Main Body

Example:

- Benefits of HFT
 - Increased liquidity and tighter spreads
 - Facilitates price discovery and integration
- Risks of HFT
 - May increase short-term volatility
 - Raises concerns around unfair advantage
- Apply financial theories like efficient market hypothesis to analyze impacts

Tips:

- Use subheadings to organize different aspects systematically
- Synthesize information from high-quality sources
- Apply relevant financial theories and concepts
- Argue points persuasively with evidence and reasoning
- Use topic sentences and transitions between paragraphs

5. Conclusion

Example:

- While HFT can improve liquidity, concerns persist around volatility spikes and fairness requiring further policy responses.

Tips:

- Restate the research question and main findings

- Discuss real-world implications and significance
- Highlight limitations and areas for further research

6. Limitations

Example:

- Limited historical data on HFT impacts.
- Hard to isolate HFT from other drivers.

Tips:

- Note methodological or scope limitations
- Identify assumptions made
- Explain how limitations impacted findings

II. Part B: Industry Talk Reflection

1. Introduction (1-2 sentences)

- Briefly introduce the industry talk topic and speaker.

Example:

- The industry talk was given by Jane Smith, a portfolio manager at XYZ Capital.
- The focus was on the rise of financial technology (fintech) and its impacts.
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2. What was the discussion in the talk? (2-3 points)

- Summarize the key themes and topics covered
- Use bullet points to highlight most important points
- Keep it factual and objective

Example:

- Overview of key topics covered:
 - Rise of fintech in financial services
 - Use of AI and big data analytics
 - Blockchain applications

3. How can you relate the talk to the Financial Markets course? (2-3 points)

- Identify 2-3 relevant course concepts, theories, models
- Explain how the talk connects to or illustrates these concepts
- Use specific examples from the talk to support your analysis

Example:

- Fintech relates to financial innovation studied
- Big data analytics supports efficient markets
- Blockchain emerging in settlements like securities

4. What can you add to the discussion? (2-3 points)

- Provide your perspectives and opinions on the issues
- Suggest areas overlooked or topics for further examination
- Raise critical questions or counterpoints to consider
- Discuss real-world applications and implications

Example:

- Fintech makes services more convenient but raises privacy concerns
- Unbiased AI algorithms are critical to avoid discrimination
- Blockchain faces adoption challenges due to integration costs

5. Conclusion (1-2 sentences)

- synthesize key takeaways and insights from the talk
- Restate the most important learnings for you
- Keep it concise - 1-2 sentences

Example:

- The talk provided insightful perspectives on fintech innovations in finance
- Key takeaways include:
 - + Benefits of AI and big data analytics for efficiency
 - + Blockchain's potential to transform settlements
 - + Need to monitor risks like privacy and discrimination
- I gained valuable insight into emerging technologies shaping the future of financial markets

D. TIPS & TRICKS

1. Writing Tips

- Craft a clear, focused research question to drive analysis.
- Use formal academic writing style and avoid personal pronouns.
- Apply financial theories and concepts from course materials.
- Synthesize information from multiple high-quality sources.
- Organize content logically using topic sentences and transitions.
- Argue points persuasively using evidence and reasoning.
- Define any technical terms and provide necessary context.
- Cite sources properly using Harvard referencing style.

2. Data Visualization Tips:

- Only use charts/graphs if they supplement or organize key data/findings.
- Label and explain all visuals concisely.
- Choose appropriate chart types based on the data being conveyed.
- Format visualizations consistently for a polished look.
- Avoid excessive visuals that distract rather than clarify.
- Use high-resolution images for maximum clarity.
- Make sure visual elements are easily interpreted.

3. Other Tips:

- Start early to allow time for quality research.
- Create an outline to organize your paper structure.
- Proofread carefully for grammar, spelling, punctuation errors.
- Ask a peer or professor to review the draft for feedback.
- Revise thoroughly to refine arguments and analysis.
- Adhere strictly to word count and formatting requirements.

E. FOOD FOR HUNGRY THOUGHTS

Based on your assigned company and case, there are various journal articles and reports to be explored. Below are some reliable sources for you to find relevant articles and reports on your chosen topics.

1. "High-frequency trading: Reaching the limits" (Journal of Trading) - <https://www.ijournals.com/doi/abs/10.3905/jot.2018.11.1.048>
2. "Credit default swaps and the credit crisis" (Journal of Economic Perspectives) - <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.24.1.73>
3. "The growth of the shadow banking system" (Journal of Financial Perspectives) - https://www.ey.com/en_gl/financial-services/how-the-shadow-banking-system-works
4. "Carbon emissions and financial risk" (Annual Review of Environment and Resources) - <https://www.annualreviews.org/doi/full/10.1146/annurev-environ-012320-084719>
5. "How High-Frequency Trading Hits Main Street" (Wall Street Journal) - <https://www.wsj.com/articles/how-high-speed-trading-hits-main-street-11582076000>
6. "How swaps can bring down companies" (BBC) - <https://www.bbc.com/news/business-54322579>
7. "Why Derivatives May Be the Biggest Risk for the Global Economy" (New York Times) - <https://www.nytimes.com/2019/05/31/business/big-banks-derivatives.html>
8. "ESG Investment Risks" (Bloomberg) - <https://www.bloomberg.com/news/articles/2022-06-13/esg-investing-risks-include-social-washing-greenwashing-mifid-regulation>