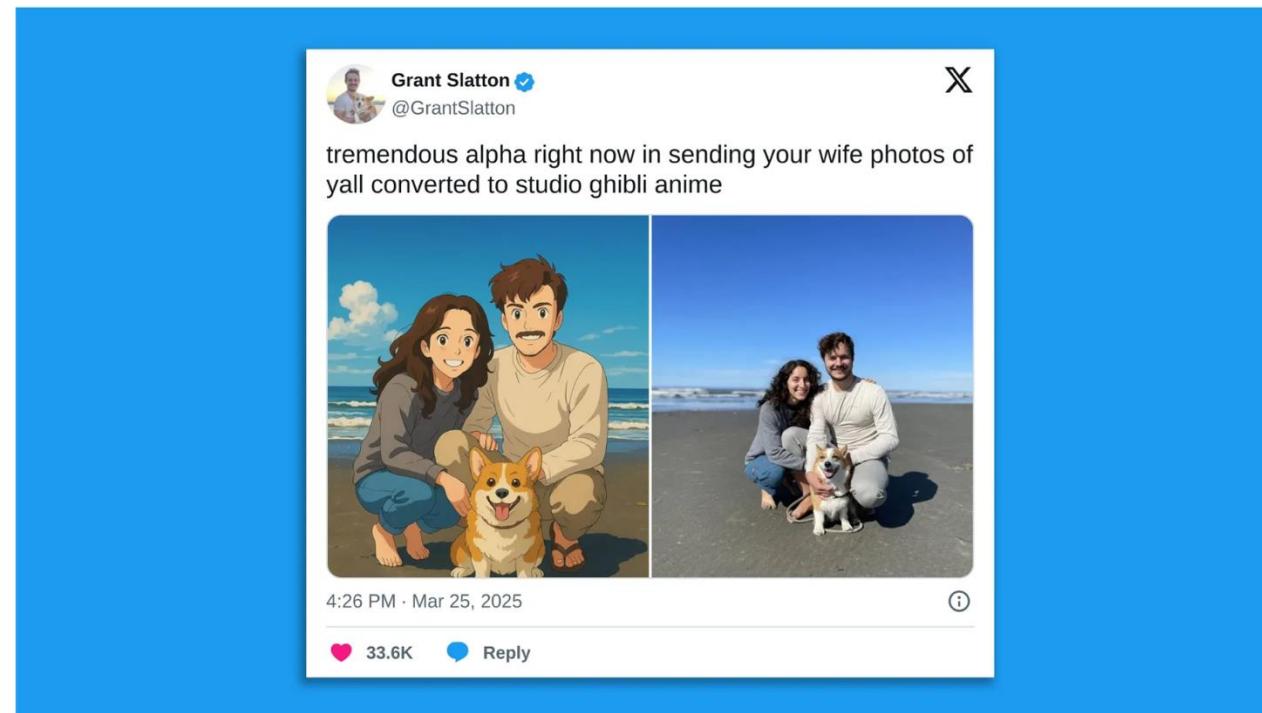


Capital Markets & Investments

Session 14: CAPM 2 – Applications

Spring 2025
Professor Simon Oh

New ChatGPT update spurs flood of Ghibli-style portraits

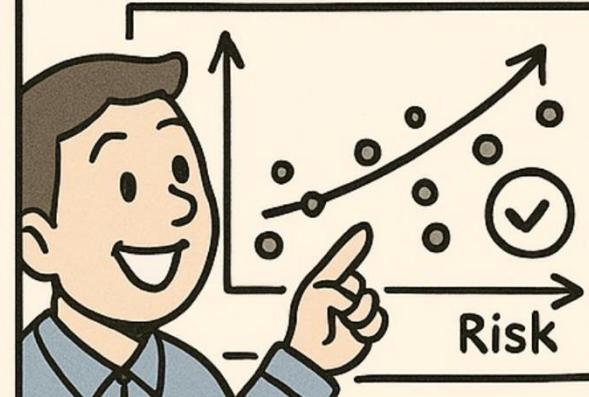
 Angraj Singh

How to Build a Portfolio

Estimate asset returns



Find efficient portfolio



Determine right risk level



Mix with risk-free asset



CAPM IS A THEORY
CREATED BY
BILL SHARPE



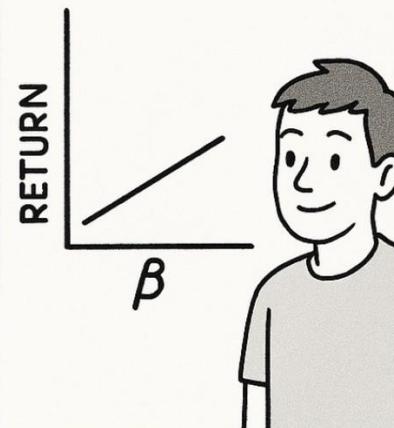
MARKET IS THE
MVE PORTFOLIO



WHY DOES IT MATTER?
MVE IS AN ELUSIVE
CONCEPT BUT CAPM
TELLS YOU WHAT IT IS



NICE IMPLICATION:
RETURN OF A STOCK
DEPENDS ON THE BETA





Central Bankers

Who is Mark Carney, the crisis-handling former central bank governor turned Canada's next leader?



By [Jessie Yeung, CNN](#)

⌚ 4 minute read · Updated 8:44 PM EDT, Mon March 10, 2025



Mark Carney's Trajectory



University of Oxford

Doctor of Philosophy - PhD, Economics
1995

Thesis: "The Dynamic Advantage of Competition"



University of Oxford

Master's degree, Economics
1993



Harvard University

Bachelor's degree, Economics
1988



Governor of the Bank of England

Bank of England · Permanent Full-time
2013 - 2020 · 7 yrs
London, England, United Kingdom



Governor of the Bank of Canada

Bank of Canada
2007 - 2013 · 6 yrs
Ottawa, Ontario, Canada

Before Carney: Mario Draghi



Mario Draghi

Education

Ph.D. in Economics, MIT (1977)

- Advisors: Franco Modigliani, Robert Solow

Experience in Central Banking

President, European Central Bank (ECB) (2011–2019)

- Famous for “whatever it takes” speech during the Eurozone crisis
- Oversew Outright Monetary Transactions (OMT) and QE programs
- Governor, Bank of Italy (2006–2011)
- Guided Italy through the 2008 financial crisis

Experience in Italian Politics

Prime Minister of Italy (Feb 2021 – Oct 2022)

- Led a national unity government during COVID recovery
- Managed EU pandemic recovery fund allocations

The future
of European
competitiveness

Part A | A competitiveness strategy for Europe

SEPTEMBER 2024

“Whatever it takes” (2012)

But there is another message I want to tell you.

Within our mandate, the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough.

Speech by Mario Draghi, President of the European Central Bank at the Global Investment Conference in London 26 July 2012

- Question: Is Draghi a positive or negative beta asset?