

COURSE NAME: Economics of Futures Markets

COURSE NUMBER: 11:373:352:01

SEMESTER: Spring 2020

MEETING DAYS, TIMES, AND PLACE: Tuesday, Thursday (2:15 pm - 3:35 pm), HCK 113

PREREQUISITE: Open to juniors and seniors (others by permission if space permits) who have successfully completed an introduction to microeconomic course (e.g., 11:373:121 or 01:220:102) or Economics, People and the Environment (11:373:101).

CONTACT INFORMATION:

Instructor(s): Nazia Arbab

Office Location: Cook Office Building

Phone: 848-932-5173 Email: nazia.arbab@rutgers.edu

Office Hours: By Appointment

COURSE WEBSITE, RESOURCES AND MATERIALS:

- Getting Started in Futures, Fifth Edition, Todd Lofton, John Wiley and Sons, Inc. -Available at Amazon.Com at very reasonable prices.
- Please check the Sakai class website regularly for updates, reading material, and class PowerPoints for lectures.
- A simple calculator that is not programmable and does not store text. Graphing calculators and programmable calculators including most HP financial calculators DO store text and will not be permitted. Cell phones, Laptops etc. may not be used on exams. You must purchase or borrow simple calculator to use for exams.

COURSE DESCRIPTION:

The course include basic investment instrumnets, tools such as options on futures. The basics about trading both stocks and futures. Topics include order types, technical and fundamental analysis for stocks and futures, hedging, factors that affect cash and futures prices (the basis), margin requirements and procedures, regulations, and spread/arbitrage trading. The Internet will be used extensively as an information source.

See the most recent syllabus for a detailed listing of topics that will be covered.

LEARNING GOALS:

- To become familiar with various types of financial investments.
- To specifically learn more about Futures Markets and their use for both speculation and hedging.
- To practice trading futures, stocks, options and other types of financial instruments.

ASSIGNMENTS/RESPONSIBILITIES, GRADING & ASSESSMENT:

- Two Hourly Exams (70%)
- Group Project (20%)
- Class Participation (10%)
- Attendance is Mandatory.
- You will not be tested on information we do not cover in class

Grade Range (%)

90-100	A
85-89	B+
80-84	B
75-79	C+
70-74	C
60-69	D
<60	F

ACCOMODATIONS FOR STUDENTS WITH DISABILITIES

Please follow the procedures outlined at <https://ods.rutgers.edu/students/registration-form>. Full policies and procedures are at <https://ods.rutgers.edu/>

ABSENCE POLICY

Students are expected to attend all classes; if you expect to miss one or two classes, please use the University absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and reason for your absence. An email is automatically sent to me.

COURSE SCHEDULE:

Tentative schedule: (I reserve the right to alter the schedule as and when necessary during the course of the semester).

See the most recent syllabus for a detailed listing of topics that will be covered.

Meeting	Topics	Readings
1	Course Introduction	
2	Origin and Development of Futures Markets	Internet Reading: A Short Course introducing Commodity Markets & Futures Trading (parts 1-10), An Introduction to Futures and Options –This free manual is posted on Sakai read Chapters 1 and 2. Keep the manual for future assignments
3, 4	Economic Justification of Futures Markets Trading Stocks vs. Trading Commodities	Getting Started in Futures Chapters 1, 2 and 3 Internet Reading on Stock Market Circuit Breakers (check Sakai).
5,6	The Basics <ul style="list-style-type: none"> • Types of Financial Investments • Facts and Figure • Calculating Contract Values • Reading the Financial Pages and Internet Financial Resources 	Getting Started in Futures - Chapters 6, 7, 8, 9 Internet Reading: Calculating the Dow Jones Industrial Average Read all links in the article pertaining to the stock averages Finance Corporate: Debt Ratings Moody's and S&P Optional Reading: How to Value Stocks .
7	Using the Internet as an Information Source	Bring your laptops or other internet devices if you have them <ul style="list-style-type: none"> • Discuss Requirements for Paper (check Sakai). • What is a Bar Chart?

8	Mutual Funds and Managed Futures Funds	Getting Started in Futures Chapter 14 Internet Readings on <ul style="list-style-type: none"> • A primer on mutual funds. • Roth IRAs Explained Traditional IRAs
9,10	Placing and Executing Market Orders <ul style="list-style-type: none"> • Mechanics of Orders • Types of Orders 	Getting Started in Futures Chapter 7 CME An Introduction to Futures and Options Chapter 4
11,12	The Participants in Futures Markets	Getting Started in Futures Chapters 4 and 5 CME An Introduction to Futures and Options Chapters 3 and 5
13	Futures Exchanges & The Clearing House or Exam Review	Getting Started in Futures Chapter 8
14	First Hourly or Review for First Hourly – See Below	
15	First Hourly	Bring a calculator that does not store text. Graphing calculators (which include most financial calculators), phones, and Laptops are prohibited. If you bring in a Financial/Graphing calculator you will end up taking the exam without a calculator.
16,17	Technical Analysis <ul style="list-style-type: none"> • Bar Charts and Their Interpretation • Computerized Methods 	Getting Started in Futures Chapters 10, Appendix A and C CME Futures and Options Chapter 8 Internet Resources: <ul style="list-style-type: none"> • The Stocks & Commodities Novice Trader's Notebook , • StockCharts.com Chart School
18,19	Fundamental Analysis	Getting Started in Futures Chapter 9 An Introduction to Futures and Options chapter 8
20	Technical Analysis Using the Web and Microsoft Excel	Bring your laptops or other internet devices if you have them
21	Margin Requirements and Procedures <ul style="list-style-type: none"> • Determining Account Status • Marking to Market 	Getting Started in Futures Chapter 6 Internet Reading: How To Margin Commodity Futures
22	Options	Getting Started in Futures Chapter 14 & 15
23,24	Cash vs. Futures Prices: The Basis <ul style="list-style-type: none"> • Local Basis • Carrying Charges • Arbitrage 	An Introduction to Futures and Options Chapter 6
25	Spread Trading	An Introduction to Futures and Options Chapter 7
26	Rules and Regulations	Getting Started in Futures Chapter 16
27	Review for Exam* (see below)	
28	Exam 2	Bring a calculator that does not store text. Graphing calculators (which include most financial calculators), phones, and PDAs are prohibited. If you bring in a Financial/Graphing calculator you will end up taking the exam without a calculator.

FINAL EXAM/PAPER DATE AND TIME

Online Final exam Schedule: <http://finalexams.rutgers.edu/>

ACADEMIC INTEGRITY

The university's policy on Academic Integrity is available at <http://academicintegrity.rutgers.edu/academic-integrity-policy>. The principles of academic integrity require that a student:

- properly acknowledge and cite all use of the ideas, results, or words of others.
- properly acknowledge all contributors to a given piece of work.
- make sure that all work submitted as his or her own in a course or other academic activity is produced without the aid of impermissible materials or impermissible collaboration.
- obtain all data or results by ethical means and report them accurately without suppressing any results inconsistent with his or her interpretation or conclusions.
- treat all other students in an ethical manner, respecting their integrity and right to pursue their educational goals without interference. This requires that a student neither facilitate academic dishonesty by others nor obstruct their academic progress.
- uphold the canons of the ethical or professional code of the profession for which he or she is preparing.

Adherence to these principles is necessary in order to ensure that

- everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments.
- all student work is fairly evaluated and no student has an inappropriate advantage over others.
- the academic and ethical development of all students is fostered.
- the reputation of the University for integrity in its teaching, research, and scholarship is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students. Every member of the University community therefore bears a responsibility for ensuring that the highest standards of academic integrity are upheld.

STUDENT WELLNESS SERVICES

Just In Case Web App <http://codu.co/cee05e>

Access helpful mental health information and resources for yourself or a friend in a mental health crisis on your smartphone or tablet and easily contact CAPS or RUPD.

Counseling, ADAP & Psychiatric Services (CAPS)

(848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901/ www.rhscaps.rutgers.edu/

CAPS is a University mental health support service that includes counseling, alcohol and other drug assistance, and psychiatric services staffed by a team of professional within Rutgers Health services to support students' efforts to succeed at Rutgers University. CAPS offers a variety of services that include: individual therapy, group therapy and workshops, crisis intervention, referral to specialists in the community and consultation and collaboration with campus partners.

Violence Prevention & Victim Assistance (VPVA)

(848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901 / www.vpva.rutgers.edu/

The Office for Violence Prevention and Victim Assistance provides confidential crisis intervention, counseling and advocacy for victims of sexual and relationship violence and stalking to students, staff and faculty. To reach staff during office hours when the university is open or to reach an advocate after hours, call 848-932-1181.

Disability Services

(848) 445-6800 / Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854 / <https://ods.rutgers.edu/>

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation: <https://ods.rutgers.edu/students/documentation-guidelines>. If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the ODS web site at: <https://ods.rutgers.edu/students/registration-form>.

Scarlet Listeners

(732) 247-5555 / <https://rutgers.campuslabs.com/engage/organization/scarletlisteners>

Free and confidential peer counseling and referral hotline, providing a comforting and supportive safe space.