

FIN579  
**Asian Capital Markets**  
Winter Quarter 2014  
Monday 6:00 – 8:30 pm, PCAR 295  
Stephan Siegel  
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**Goals**

This course provides you with a framework to think about investment opportunities in Asia, the fastest growing continent over the past 40 years. You will learn about the benefits as well as the potential risks of investing in different asset classes and different Asian economies. By analyzing investment opportunities in those markets, you will also become familiar with institutional details as well as major players in Asian capital markets. Many of the key insights from this course apply to other emerging and frontier markets as well.

**Learning Approach and Materials**

The course will combine case discussions, lectures, and several guest speakers. While business cases allow you to explore a given asset class in the specific setting of one country, lectures will provide an overview over how other Asian economies and, importantly, a general economic framework. Guest speakers will give us up-to-date insights into conditions and developments in Asia.

You are expected to carefully prepare all case we will discuss and read the background material assigned for each class. In addition, reading about current trends in Asian capital markets in the financial press, such as the Wall Street Journal, the Financial Times, or the Economist, will allow you to benefit from discussions with our guest speakers.

Cases and most reading materials will be part of a course packet that you need to buy at the University Bookstore. The packet should be under the title, “Siegel - FIN579 - Asian Capital Markets”. Additional reading materials as well as lecture slides will be available on Canvas.

**Requirements and Grading**

Your grade in this course will be based on the following:

- Participation in class discussion (individual) 30%
- Two case write-ups and one topic write-up (group) 70%

Participation in Class Discussions is important in this class. You will understand and remember the material better if you participate in the discussions. Also, you will contribute to the learning of others in the class. The *quality* of your participation is more important than *quantity*. You should try to participate in each session.

Each study group, consisting of up to three students, will prepare two written analyses of business case which we will discuss in class. The groups can choose which two cases they want to write up. The case write-ups are due at the start of class. I will provide *general discussion questions* for each case that *all students should prepare*. In addition, I will provide *specific questions for those preparing a case write-up*. Typically, I will ask you to give a *recommendation and to explain* how you arrived at the recommendation.

Each group also has to prepare a write-up on a topic related to Asian capital markets. I will provide several topic ideas at the beginning of the quarter. While a topic write-up should provide an overview

over a given subject, it must go beyond a summary of facts and include an (*economic*) *argument* why or how something of relevance to investors has happened, is happening or will happen. All topic-write ups are *due at the beginning of the last class*.

All write-ups should be *no more than four pages of double-spaced text*, with no more than four pages of charts or tables. The grade will depend on the quality of the analysis and the effectiveness with which you use the facts to present your argument.

### **Course Schedule**

The class will meet on Monday evenings between 6 and 8:30 pm. The final schedule will depend on the availability of the invited guest speakers. The current schedule is as follows. Updates will be posted on Canvas. Required readings are given in square brackets:

#### **Class 1: Jan. 6, 2014: Introduction - Economic Growth and Investment Returns**

- Lecture [Shapiro, Ch. 15; Credit Suisse Yearbook 2010]

#### **Class 2: Jan. 13, 2014: Exchange Rate Regimes and Foreign Currency Investing**

- Lecture [Bekaert & Hodrick, Ch. 5; Shapiro, Ch. 4]
- Guest: *Boby Medic*, VP, Foreign Exchange Services, Wells Fargo, San Francisco

#### **Class 3: Jan. 27, 2014: Capital Market Integration vs. Segmentation**

- Case: Geeli
- Lecture [Shapiro, Ch. 15, from Class 1]

#### **Class 4: Feb. 3, 2014: Investing in China**

- Guest: *Brian Ingram*, Head of Investments, PingAn Russell, Shanghai
- Lecture: Overview - Credit, Private Equity, and Real Estate [Solnik & McLeavey, Ch. 8]

#### **Class 5: Feb. 10, 2014: Current Trends in Asian Capital Markets**

- Panel Discussion: *Keith Ferguson*, CIO, UW Endowment; *Mark Whitmore*, Founder & CEO, Whitmore Capital; *Gerard Fitzpatrick*, CIO, Fixed-Income Portfolios, Russell

#### **Class 6: Feb. 24, 2014: Private Equity and Frontier Markets**

- Case: Leopard Capital: Private Equity in Cambodia
- Guest: *Doug Clayton*, Founder & CEO, Leopard Capital, Cambodia (to be confirmed)

#### **Class 7: March 3, 2014: Credit Markets and Regulation Risk**

- Cases: (i) SKS Microfinance; (ii) SKS and the AP Microfinance Crisis
- Guest: *Chris Brookfield*, Elevar Equity, Seattle

#### **Classes 8: March 10, 2014: Real Estate**

- Case: Chiaphua Group Vietnam
- Guest Speaker: *Yang Liang Chua*, Head of Research SE Asia, Jones Lang LaSalle, Singapore