

Prof. Donefer's Suggested Sources

The following is a *personal, idiosyncratic and certainly incomplete* list of readings and sources for students in my classes. Unfortunately it is U.S. centric, which I plan to address in the future. Appearance on this list does not represent any endorsement of products or services of the firms referenced. Feel free to email me with your comments and suggestions.

Books

Introduction to Capital Markets

The Complete Guide to Capital Markets for Quantitative Professionals, McGraw-Hill, 2006, by Alex Kuznetsov,

Investments (Hardcover) McGraw-Hill/Irwin; by Zvi Bodie, Alex Kane, Alan J. Marcus Graduate level, great introduction to investments *Or*

Essentials of Investments, McGraw-Hill/Irwin, by Zvi Bodie, Alex Kane, Alan J. Marcus. Undergraduate version with somewhat more basic.

If you have no background in finance please read one of the above before taking either of my classes.

Investments

Investments (Hardcover) McGraw-Hill/Irwin; by Zvi Bodie, Alex Kane, Alan J. Marcus Graduate level, great introduction to investments *Or*

Essentials of Investments, McGraw-Hill/Irwin, by Zvi Bodie, Alex Kane, Alan J. Marcus. Undergraduate version with somewhat more basic.

Bond Markets, Analysis and Strategies,(Hardcover) by Frank Fabozzi, 2003, 5 edition, Prentice-Hall

Options, Futures and Other Derivatives, Prentice Hall, by John C. Hull and its Students Solutions Manual. The standard quantitative introduction to derivatives.

Futures, Options, and Swaps, Wiley-Blackwell, by Robert W. Kolb and James A. Overdahl. A more descriptive approach.

The Intelligent Investor: The Definitive Book on Value Investing, Revised Edition (Paperback) Collins; Revised edition (July 8, 2003) by Benjamin Graham *Or*

Security Analysis: The Classic 1934 Edition (Hardcover) McGraw-Hill; 1st edition (reprinted October 1, 1996) by Benjamin Graham, David Dodd Frankly any of the later editions will also do as well. There is a third edition published in 2004, a facsimile of the

1951 edition. A 6th ed. With numerous commentaries is due in late September 2008. Not for novices.

A Random Walk Down Wall Street: Completely Revised and Updated Eighth Edition (Paperback) by Burton G. Malkiel, W. W. Norton & Company; (9th ed, 2007)

All About...The Foreign Exchange Market in the United States by Sam Y. Cross
Federal Reserve Bank of New York. A very readable introduction. Available as a free hardcopy which can be ordered from the Fed or accessed online at <http://www.ny.frb.org/education/addpub/usfxm/> .

History

Tulipomania of 1624, the South Sea Bubble of 1720 and other investing debacles that all professionals should be familiar. Try either (or both) of the following:

Extraordinary Popular Delusions & the Madness of Crowds (Paperback) Three Rivers Press; Reprint edition (July 25, 1995) by Charles Mackay, Andrew Tobias (Foreword)

Manias, Panics, and Crashes: A History of Financial Crises (Wiley Investment Classics) (Paperback) Wiley; 4 edition by Charles P. Kindleberger

Capital Ideas: The Improbable Origins of Modern Wall Street (Paperback) Wiley (June 20, 2005) by Peter L. Bernstein

Capital Ideas Evolving (Hardback) Wiley (2007) by Peter L. Bernstein, Updated views.

Devil Take the Hindmost: A History of Financial Speculation, Plume; Reissue edition (June 5, 2000) by Edward Chancellor

Liar's Poker: Rising Through the Wreckage on Wall Street, Penguin (October 1, 1990) by Michael Lewis Wall Street in the 1980's – dated but often spoken of.

Risk - General

Against the Gods: The Remarkable Story of Risk (Paperback) Wiley; New Ed edition (August 31, 1998) by Peter L. Bernstein. Great history of risk.

A Demon of Our Own Design: Markets, Hedge Funds, and the Perils of Financial Innovation by Richard Bookstaber (**Hardcover** - April 6, 2007)

Fooled by Randomness: The Hidden Role of Chance in Life and in the Markets (Paperback) Random House Trade Paperbacks; 2nd Updated edition (August 23, 2005) by Nassim Nicholas Taleb

The Black Swan: The Impact of the Highly Improbable (Hardcover), Random House, 2007, by Nassim Nicholas Taleb

The Misbehavior of Markets (Hardcover) Basic Books (August 3, 2004) by Benoit Mandelbrot, Richard L. Hudson

When Genius Failed: The Rise and Fall of Long-Term Capital Management (Paperback) Random House Trade Paperbacks (October 9, 2001) by Roger Lowenstein

Traders Guns & Money, FT Prentice Hall, 2006 by Satyajit Das

Financial Institutions Management A Risk Management Approach, Irwin McGraw Hill, 5th edition, by Anthony Saunders, Marcia Millon Cornett

Risk Magazine <http://www.risk.net/>

Risk –Text books

Value at Risk, McGraw Hill, 3rd ed 2006 by Philippe Jorion

Risk Management, McGraw Hill, 2000 by Michel Crouhy, Robert Mark, and Dan Galai

Essentials of Risk Management, McGraw Hill 2006 by Michel Crouhy, Robert Mark, and Dan Galai

Understanding Market, Credit, and Operational Risk: The Value at Risk Approach, Blackwell Publishing, 2004 by Anthony Saunders, Jacob Boudoukh, and Linda Allen

Risk Management and Financial Institutions, Pearson Prentice Hall, 2006 by John Hull

Exchanges and Markets

Trading and Exchanges: Market Microstructure for Practitioners (Hardcover)

Oxford University Press, USA (October 24, 2002) by Larry Harris

Equity Markets in Action: The Fundamentals of Liquidity, Market Structure & Trading + CD (Hardcover) Wiley; Bk&CD-Rom edition (August 13, 2004) by Robert A. Schwartz, Reto Francioni

The Equity Trader Course (Wiley Trading) (Hardcover) Wiley; Bk&CD-Rom edition (May 19, 2006) by Robert A. Schwartz, Reto Francioni, Bruce Weber

Empirical Market Microstructure: The Institutions, Economics, and Econometrics of Securities Trading (Hardcover), Oxford University Press, 2007, by Joel Hasbrouck

Journal of Trading <http://www.ijjournals.com/JOT/>

Financial Math and Data Analysis

Paul Wilmott Introduces Quantitative Finance (Paperback) John Wiley & Sons; by Paul Wilmot This is Wilmott's most basic introduction to financial math.

Market Models: A Guide to Financial Data Analysis (Hardcover) John Wiley & Sons; by Carol Alexander A very useful book and I consider a must own if you are interested in the topic. Book's website:
<http://www.wiley.co.uk/marketmodels/Home.html>

Modelling Financial Times Series (Hardcover), World Scientific Publishing Company; 2nd Ed, by Stephen J. Taylor

An Introduction to High-Frequency Finance (Hardcover) Academic Press (May 2001) by Ramazan Gençay, Michel Dacorogna, Ulrich A. Muller, Olivier Pictet, Richard Olsen

Analysis of Financial Time Series (Wiley Series in Probability and Statistics) 2nd edition (Hardcover) Wiley-Interscience; 2 edition (August 30, 2005) by Ruey S. Tsay A great reference.

Use of Excel in Finance and Modeling

Financial Modeling, MIT Press; by Simon Benninga

Principles of Finance with Excel: Includes CD, Oxford University Press, USA by Simon Benninga

Analyzing Business Data with Excel (Paperback) O'Reilly Media; 1 edition (January 1, 2006) by Gerald Knight I have not used this myself, but it has come highly recommended.

Excel Modeling in (the Fundamentals of) Investments or Corporate Finance by Craig W. Holden. There are four titles in total, (all 2nd edition) and are keyed to texts such as Investments by Bodie. Pearson/ Prentice Hall 2004. Go to the author's website at <http://www.spreadsheetmodeling.com/> to review the choices.

Websites

Investing

General information and access to SEC filings from both:

<http://moneycentral.msn.com/investor/home.asp>

<http://finance.yahoo.com/>

<http://www.investopedia.com/> Preferable to Wikipedia, but neither are considered authoritative.

<http://bigcharts.marketwatch.com/> Charting, try the Java charts

<http://www.bloomberg.com/>

<http://today.reuters.com/news/home.aspx>

<http://online.wsj.com/home/us> Wall Street Journal and <http://www.collegejournal.com/>

You are entitled as students to a very substantial discount to the Journal with free home delivery and access to the online WSJ, be sure to ask for it, even if you are a part time student; Also available for Barrons.

<http://online.barrons.com/public/main> Barron's weekly

<http://www.optionseducation.org/> Authoritative options information

Risk

http://www.cmra.com/best_practice_current_crisis.php Many good articles and links available on this site.

[http://www.gloriamundi.org/Best site on Value At Risk](http://www.gloriamundi.org/Best%20site%20on%20Value%20At%20Risk)

http://www.derivativesstrategy.com/magazine/bestof/trading_Scandals.asp

<http://www.gsm.uci.edu/~jorion/oc/case.html> Philippe Jorian on the Orange County case.

<http://www.contingencyanalysis.com/> Risk Consultants

http://www.risk_glossary.com/ Risk Glossary

<http://www.defaultrisk.com/> Credit Risk

<http://www.credit-risk.org/> Credit Risk

<http://www.riskcenter.com/> Risk Center

<http://www.risk.net/> Risk Magazine

<http://www.riskbook.com/> Book Reviews

<http://www.bis.org/index.htm> Basel accord source - must reads in all areas

Risk Manager Certification Organizations:

<http://www.prmia.org>

<http://www.garp.com/>

<http://www.rmahq.org/RMA/> Risk management Association

Risk Vendors:

<http://www.moodyskmv.com> Moodys KMV credit risk product

<http://www.standardandpoors.com/> S&P

<http://www.algorithmics.com/> Algorithmics

<http://www.riskmetrics.com/> RiskMetrics – original VaR documents

<http://www.msibarra.com/> Barra

<http://www.sungard.com/adaptiv> Sungard

www.bobsguide.com/ Listing of many risk vendors

Newsletters

<http://www.smartbrief.com/sifma/> SIFMA Smart Brief daily

<http://www.rblt.com/> Great source of industry information on market structure

http://www.johnlothiannewsletter.com/John_Lothian_Newsletter.htm Another great industry source for market infrastructure

Research Firms (Your firm may have subscriptions)

<http://www.tabbgroup.com/>

<http://www.aitegroup.com/>

<http://www.towergroup.com/research/home/index.htm>

<http://www.celent.com/>

Math

<http://www.statsoft.com/textbook/stathome.html> Statistics source

<http://www.wilmott.com/> Site for quants

Regulators

<http://www.finra.org>

<http://www.sec.gov/>

<http://www.cftc.gov/>

Exchanges –Stock, Options, Futures

<http://www.world-exchanges.org>

<http://www.nyse.com/> New York Stock Exchange Group

<http://www.nasdaq.com/> and <http://www.nasdaqtrader.com/>

<http://www.amex.com/> American

<http://www.chx.com/> Chicago

<http://www.bostonstock.com/> Boston
<http://www.phlx.com/> Philadelphia Now NASDAQ
<http://www.nsx.com/National> formerly the Cincinnati Stock Exchange

<http://www.cboe.com/> Chicago Board of Options Exchange
<http://www.iseoptions.com/> International Securities Exchange

<http://www.cbot.com/> Chicago Board of Trade -- now CME
<http://www.cme.com/> Chicago Mercantile Exchange
<http://www.theice.com/> Inter-Continental Exchange
<http://www.nybot.com/> New York Board of Trade --now The ICE

Alternative Trading Systems

<http://www.pipelinetrading.com/default.aspx> Pipeline
<http://www.liquidnet.com/> Liquidnet
<http://www.itg.com/offerings/posit.php> Posit
<http://www.levelats.com> LevelL

Post Trade – Clearing and Settlement

<http://www.dtcc.com/> Stocks, bonds, etc.
<http://www.optionsclearing.com/> Options
<http://www.cme.com/clearing/> Futures

Foreign Exchange Trading – Institutional Markets

<http://www.fxstreet.com/> Retail site but good charts and FX quote data
<http://www.ebs.com/>
<http://www.currenex.com/>
<https://www.lavatrading.com/lava/fxpage.aspx?f=solutions/fx>
<http://www.hotspotfx.com/>
<http://about.reuters.com/productinfo/dealing3000/>
<http://www.cls-group.com/FX> settlement

Fixed Income

<http://www.sifma.com/>
<http://www.investinginbonds.com/>
<http://www.publicdebt.treas.gov/>
<http://www.sifma.org/research/pdf/2006eCommerceSurveyFinal120606.pdf> --Annual survey of electronic markets

Sample electronic trading of fixed income markets

<http://www.icap.com>

<http://www.bonddeskgroup.com/>

<http://www.espeed.com/>

<http://www.marketaxess.com/>

<http://www.tradeweb.com/>

<http://www.municenter.com/>

Institutional Money Transfer Systems

<http://www.swift.com/>

<http://www.chips.org/home.php>

<http://www.federalreserve.gov/paymentsystems/fedwire/default.htm> Fedwire

Federal Reserve Banks

These have many papers and are sources of great data in all the financial markets.

<http://www.federalreserve.gov/>

<http://www.ny.frb.org/> New York

There are 12 Fed branches. Rather than search each one, check the search “All Fed Sites” box. However, feel free to Google and review each one.

IT in Financial Services

<http://www.wallstreetandtech.com/>

<http://www.watsonline.com/>

<http://www.bobsguide.com/>