



COMILLAS
UNIVERSIDAD PONTIFICIA

ICAI

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CIHS

ICADE International

Fall 2025

Financial Markets

Introduction to the course.

September 1st, 2025

What we are going to do this first days?

- **Introduction to the course**
 - Objectives
 - Structure
 - Methodology
- **The importance of information**
 - Efficient markets
 - Arbitrage
- **Spanish financial system**
 - General scheme
 - Principal institutions (CNMV & Banco de España)
- **Time and money**
 - First steps

Market concept
Risk *Price and value*
+ some notions
Financial Assets *Liquidity*
Black swan vs. fractals
Can we predict the future?
BlockChain *Fintech*

L1. The financial system (I)

Before proceeding

Let me introduce myself:

Luis Garvía Vega

- Engineer, economist and lawyer.
- 3 hits (E-CUATRO, Pepster and GCyM) and more than 4 failures (Eccen, ANSEFE, Kalimelectric and Gruyere)... ¿Failure?
- Pacífica Capital Gestión partner.
- As freelancer: trustee in bankruptcy, independent valuator and court specialist.
- As teacher: financial markets, project and corporate financing, financial assets valuation and ethics.

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Service concept

Course objectives

Principal aim: to know and understand the financial system

What is the financial system?



What is a market?

- is a place,
- where products (or services) are **traded**,
- between buyers and sellers,
- that has **rules**,
- and **agents** that help.

- Agents. Supervisor, brokers...

Aim: Career Planning – Job seeking (for those who want). CNMV, Banco de España, comercial bank, investment banking, private equity...

- Products are traded at a price.
¿Difference between value and price?

Aim: to embrace this difference.

Aim: to know what is beyond the rule.

- *¿Why we need rules?*
Rules to protect investors, maintain fair, orderly, and efficient markets...
Operating rules (ex: to become a broker or Initial Public Offers IPOs).

Course objectives

Principal aim: to know and understand the **financial system**

What about finance?

- Finance has to do with the **future**.
- What is a **financial asset**?
 - *A financial asset is an intangible asset that derives value because of a contractual claim.*
 - *Return, risk and liquidity.*
 - *¿Examples?*

A financial asset is any asset that is:

- Cash and equivalent,
- Equity instruments,
- Contractual right to receive cash or another financial asset from other part.
- A contract that will or may be settled by its owner the entity's own equity instruments and could be non-derivate or a derivate.
[\(See IAS 32 at Moodle\)](#)

Can we predict the future?
uncertainty and risk

- Classical models
- Cycles
- Chaos theory
- Behavioral finance
- Black swans

Aim: to acquire mental tools and a complete framework

Course objectives

Principal aim: to know and understand the **financial system**

Financial assets classification

Governments

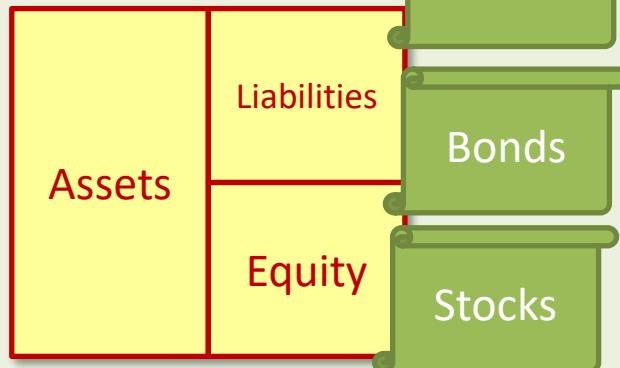
Government budget
Incomes - Expenses

Central banks

Cash

Companies

Balance sheet



Financial entities

Public debt

Loans

Bonds

Stocks

Derivatives

Basic products

Options

Futures

SWAPs

Structured products

Course objectives

Principal aim: to know and understand the financial system

What to know?

- Spanish financial system with detail
- The system of Central Banks (Basel regulation)
- Money markets and interest rate risk...

...we will see in next slide...

What to understand?

Those who don't know history are doomed to repeat it.

And our world is changing and becoming increasingly complex...

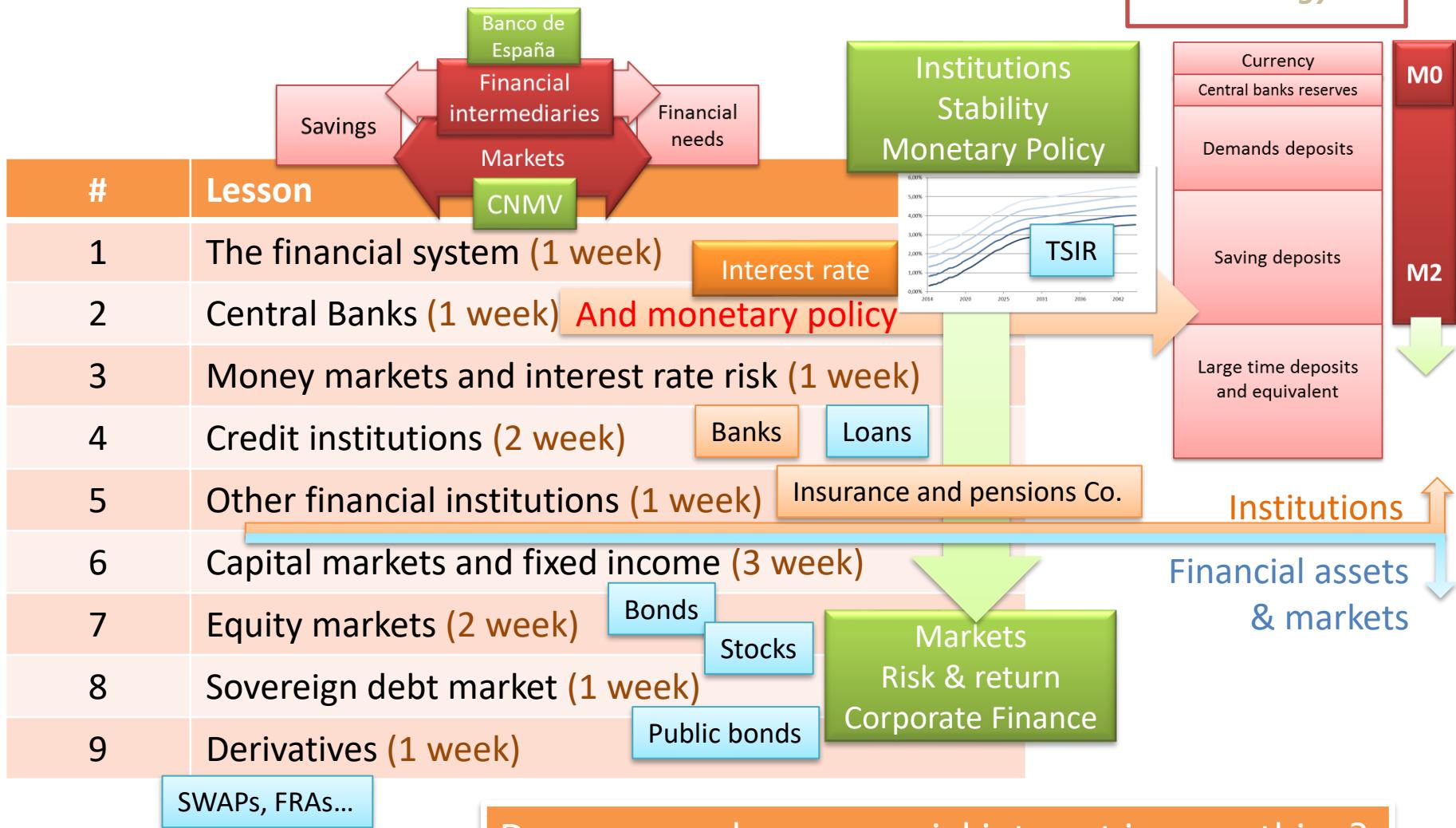
Regarding the past (History)

German hyperinflation, tulip mania (tulip crisis), George Soros and the British Pound, Lehman Brothers, greek government-debt crisis, Bretton Woods...

Regarding the present and the future



Structure of the course



Structure of the course

Schedule

	L	M	X	J	V	S	D
	25	26	27	28	29	30	31
Sept	1	2	3	4	5	6	7
	8	9	10	11	12	13	14
	15	16	17	18	19	20	21
	22	23	24	25	26	27	28
	29	30	1	2	3	4	5
	6	7	8	9	10	11	12
Oct	13	14	15	16	17	18	19
	20	21	22	23	24	25	26
	27	28	29	30	31	1	2
	3	4	5	6	7	8	9
Nov	10	11	12	13	14	15	16
	17	18	19	20	21	22	23
	24	25	26	27	28	29	30
	1	2	3	4	5	6	7
Dic	8	9	10	11	12	13	14
	15	16	17	18	19	20	21
	22	23	24	25	26	27	28

		Initial Planning	
Day of class		Lesson	
1		0	
2	3	1	The financial system
4	5	2	Central Banks
6	7	3	Monetary Markets & Interest rates
8	9		
10	11	4	Credit institutions
12	13	5	Other financial institutions
14	15		Midterm
16	17	6	Capital markets & Fix Income
18	19	7	Equity markets
	20		
21	22	8	Sovereign debt
23	24	9	Derivatives
25	26	10	Review

Methodology

ASSESSMENT ACTIVITIES	CRITERIA	WEIGHT
Class participation and adequate preparation of classes.	<ul style="list-style-type: none"> • Active participation. • Teamwork • Reading before class of the article assessment • Review and assimilation of the classes contents. • Participation at the right time. 	20%.
Deliveries, class presentations and partial exercises.	<ul style="list-style-type: none"> • Resolution of the request. 	30%.
Final exam	<ul style="list-style-type: none"> • From 0 to 10. 	50%

Some ideas:

Is your class...

Participation

- By groups – Group presentation
- I will ask for volunteers each week

I hear and I forget. I see and I remember. I do and I understand.

We will deal with so many languages:

- Mathematics
- Accounting
- Excel

Excel is essential.



#ComillasFinance23

Internet and the markets
Personal Brand in a Digital World
We will work on it
Be creative



Methodology



ICADE Finance 2025 - Fall
Grupo de WhatsApp



<https://chat.whatsapp.com/ERIU8dkUH3LB4xBMyXENxC>

A little exercise. Financial concepts

Take a sheet of paper

1. Split the sheet in 2 parts
2. Place to the left the ones that you know well
3. Place to the right those that you have heard of
4. Do not use the rest

Equity	Spot & forward	Credit risk
Bonds	Bloomberg & Reuters	IPO
Mutual funds	S&P, Fitch, Moody's	Market risk
T-bill	Yield	Systematic risk
Financial Option	Speculation	Diversification
REPO	Hedging	ECB
Warrant	Arbitrage	MBS
Cost of capital	Private banking	WACC
Nikkei	Front office-back office	Rights issue
Broker	Institutional investor	Over-the-counter
Dealer	Stock	
Market maker	Liquidity	

What are we going to do next week?

We will talk about the financial system...

- **The importance of information**
 - Efficient markets
 - Arbitrage
- **Structure of the financial system**
 - General scheme
 - Supervisor notion
- **Time and money**
 - First steps

This week: static view (¿Equilibrium?)
Next week: dynamic view (¿Creative destruction?)



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Thanks