COMILLAS
UNIVERSIDAD PONTIFICIA
ICAI ICADE CIHS

ICADE International
Fall 2025
Financial Markets

Introduction to the course.

September 7st, 2026

comillas.edu

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 sawn vs. fractals

Can we predict the future?

BlockChain *Fintech*

L1. The financial system (I)

Before proceeding

Course objectives
Structure
Methodology

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.

http://es.linkedin.com/in/garvia
@lgarvia
lgarviav

Contact:

T: 671 035 094

E: lgarvia@comillas.edu

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 bróker or Initial Public Offers IPOs).

Course objectives
Structure
Methodology

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?*

Can we predict the future?
uncertainty and risk

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

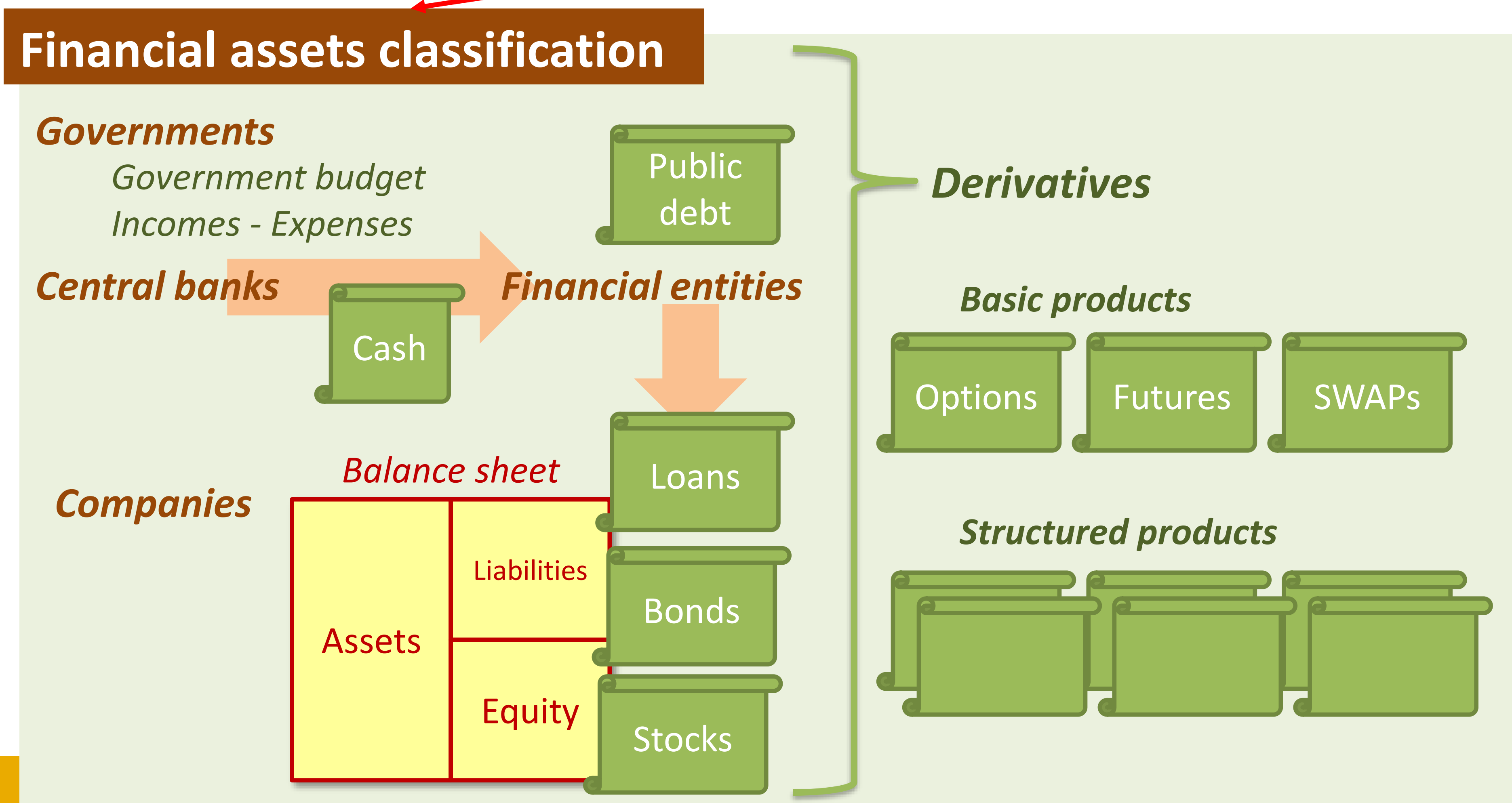
A financial asset is any asset that is:

- 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)

Aim: to acquire mental tools and a complete framework

Course objectives

Principal aim: to know and understand the financial system



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)

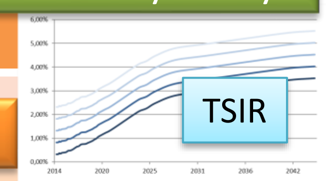
German hyperinflation, tulip mania (tulip crisis), George Soros and the British Pound, Lehman Brothers, greek government-debt crisis, Bretton Woods…

Regarding the present and the future

Structure of the course

Banco de España
Financial intermediaries
Savings
Financial needs
Markets
CNMV

Institutions
Stability
Monetary Policy



Currency
Central banks reserves
Demands deposits
Saving deposits
Large time deposits and equivalent

M0
M2

#	Lesson
1	The financial system (1 week)
2	Central Banks (1 week) And monetary policy
3	Money markets and interest rate risk (1 week)
4	Credit institutions (2 week)
5	Other financial institutions (1 week)
6	Capital markets and fixed income (3 week)
7	Equity markets (2 week)
8	Sovereign debt market (1 week)
9	Derivatives (1 week)

Interest rate
Banks
Loans
Insurance and pensions Co.
Bonds
Stocks
Public bonds
SWAPs, FRAs…

Markets
Risk & return
Corporate Finance

Institutions

Financial assets & markets

Does anyone have a special interest in something?

Methodology

ASSESSMENT	CRITERIA	%
Practicals	• Problem sets handed out in class. Worked individually, outside the classroom. Graded on delivery and on resolution.	30%
Midterm exam — 26 October	• Written, by hand. Calculator allowed. Covers blocks I to IV.	20%
Final exam	Written, by hand. Covers the whole course.	50%

How this works

Each session: a core block, a break, and a practical block.

Practicals: you get the problems in class, you work them out afterwards.

Classes are recorded and transcribed. You get a written recap of every session.

The slides are the main reading.

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

Three languages: Mathematics · Accounting · Excel
Bring a calculator. Exams are done by hand.

#ComillasFinance26

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

Structure of the course

Course objectives

Structure

Methodology

Schedule

Midterm exam — 26th October

	L	M	X	J	V	S	D	Day of class		Initial Planning Lesson	
	31	1	2	3	4	5	6				
Sept	7	8	9	10	11	12	13	1	2	0	Introduction
	14	15	16	17	18	19	20	3	4	1	The financial system
	21	22	23	24	25	26	27	5	6	2	Central Banks
	28	29	30	1	2	3	4	7	8	3	Monetary Markets & Interest rates
Oct	5	6	7	8	9	10	11	9	10	4	Credit institutions
	12	13	14	15	16	17	18		11	5	Other financial institutions
	19	20	21	22	23	24	25				Midterm
	26	27	28	29	30	31	1	12	13	6	Capital markets & Fix Income
Nov	2	3	4	5	6	7	8		15	7	Equity markets
	9	10	11	12	13	14	15		16		
	16	17	18	19	20	21	22	17	18	8	Sovereign debt
	23	24	25	26	27	28	29	19	20	9	Derivatives
	30	1	2	3	4	5	6	21	22	10	Review
Dic	7	8	9	10	11	12	13				
	14	15	16	17	18	19	20				
	21	22	23	24	25	26	27				
	28	29	30	31							

Methodology

https://chat.whatsapp.com/Dyf1wcjvWm5LCVO54yjrBB

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
Bonds
Mutual funds
T-bill
Financial 0ption
REPO
Warrant
Cost of capital
Nikkei
Broker
Dealer
Market maker

Spot & forward
Bloomberg & Reuters
S&P, Fitch, Moody´s
Yield
Speculation
Hedging
Arbitrage
Private banking
Front office-back office
Institutional investor
Stock
Liquidity

Credit risk
IPO
Market risk
Systematic risk
Diversification
ECB
MBS
WACC
Rights issue
Over-the-counter

COMILLAS
UNIVERSIDAD PONTIFICIA
ICAI ICADE CIHS

What are we going to do next week?

We will talk about the financial system…

- **The importance of information**
  - Efficient markets
  - Arbitrage

What is an instant?

- Technical analysis
- Fundamental analysis
- Insiders

- **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?)

COMILLAS UNIVERSIDAD PONTIFICIA ICAI ICADE CIHS

Thanks