Course: Financial Market Microstructure

Organizer: Department of Finance, NHH – Norwegian School of Economics

Instructors: Professor David Easley and Professor Maureen O'Hara (both Cornell University)

Dates: June 6-7, 2016

Place: NHH – Norwegian School of Economics, Bergen, Norway

Audience: PhD students, researchers

Applications: Please register in advance by emailing a CV and a motivation statement of not more than 200 words to Professor Klaus R Schenk-Hoppé (NHH and University of Manchester) Email: klaus.schenk-hoppe@nhh.no


The course: Learn how financial markets work from two pioneers in the field of financial market microstructure. David Easley and Maureen O'Hara are two of the most highly cited financial economists with Google Scholar citation counts summing to over 40,000.

Their course moves from an introduction to the basic 'plumbing' of markets, to the role of information and its impact on liquidity and asset pricing, to recent issues on high-frequency trading. Both theoretical and empirical research in the field will be covered.

The course is an excellent preparation for the Jan Mossin Memorial Symposium on Financial Markets at NHH, June 9-10, 2016.

Acknowledgement: The PhD course is sponsored by the Norwegian Finance Initiative under the NFI Lecture Series Programme.

Travel information: Bergen is a busy city in the summer; book early! You can search for cheap accommodation for instance at www.airbnb.com or www.hostels.com.
Reading and lecture schedule:

Background Resources

Lecture Schedule

1. Introduction to Market Making: How Markets Work

2. Information-Based Microstructure Models

Additional readings:

3. PINs and VPINs


Additional readings:

4. Information and the Cost of Capital


Additional readings (and pricing of liquidity):

5. Ambiguity in Markets


Additional readings:


6. The High Frequency World


Additional readings: