

Investment Analysis

Module 4-5, 2024-2025

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Course description

This course provides students with an opportunity to dive into the everyday job of an Investment Research Analyst. We will discuss the role of an Investment Analyst in making investment decisions primarily from the buy-side point of view. The holistic process of decision-making will be considered including such stages as ideas generation, opportunities analysis and monitoring.

The course structure is based on sector investing. Each class will be devoted to the particular industry, its advantages/disadvantages and peculiarities. We will analyze actual investment cases in the Sovcombank portfolio (presented by the bank analysts). Upon studying each industry, students will look for their own investment ideas based on the given framework.

Course requirements, grading, and attendance policies

Students are expected to be familiar with the basics of modern financial markets, firm valuation and fixed income securities. Understanding the concept of competitive advantage is a must — please refer to the required textbooks section. The course is practice-oriented so there will be no single textbook.

There will be 11 classes (note that the course starts on April 2 and ends in the end of May). The classes will be held mostly at Wednesday and Thursday evenings and take place at the Sovcombank's office located at 1st Zemelny lane, "Ulitsa 1905 goda" metro station. Attendance is a must, though can be negotiated for a good reason.

The grading is based on class participation, homework and final project.
The maximum points available for each component is:

Class participation	20 pts (10 – attendance and 10 – activity)
4 homeworks	80 pts
Total	100 pts

Hometasks comprise mainly investment ideas presentations in PDF format on any topic covered

in previous classes. Submission deadlines are to be specified in the project's instructions.

Minimum score of at least 30% is required to pass the course.

Course contents

An overview of the analyst profession and investment decision-making process

Commodities:

- Oil and gas
- From iron ore to steel
- Non-ferrous metals
- Fertilizers
- Home assignment 1: Investment idea in a commodity producer

Non-cyclical industries:

- Telecommunications
- Energy
- Consumer sector
- Pharma and biotech
- Home assignment 2: Investment idea in a non-cyclical firm

Macroeconomics:

- Sovereign Analysis
- World profits
- Home assignment 3: Investment idea in a sovereign debt

Additional Topics:

- Analyzing a bank
- Banking regulation
- Construction industry
- Project finance
- Home assignment 4: Financial modeling (wind power generation project)

Course materials

Required textbooks and materials:

- B. Graham, "The Intelligent Investor"
- M. Porter, "Competitive strategy"
- T. Koller, "Valuation: Measuring and Managing the Value of Companies"
- F. Fabozzi, "Bond Markets, Analysis and Strategies"

Additional materials:

- D. Yergin, "The Prize: The Epic Quest for Oil, Money, and Power"
- D. Khotimskiy, "Let's cash in on the crisis of capitalism"
- J. Ramirez, "Handbook of Basel 3 Capital"
- M. Lewis, "The Big Short"

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.