

Module Outline

ECF on Retail Wealth Management (RWM)

Module 2 “Investment Planning”

Benchmarked HKQF Level:	4
No. of Credits:	20
Total Notional Learning Hours:	200
a) Class contact hours:	15 hours (3-hour per session x 5)
b) Self-study hours:	182.5 hours
c) Assessment hours:	2.5 hours
Pre-requisite:	NA

Module Objective

The module aims to provide candidates with essential knowledge of financial market operation and universal products in the Hong Kong market. It also introduced the basic concept of portfolio investment theory and risk management.

Module Intended Outcomes (MIOs) and Units of Competencies (UoCs)

Upon completion of the Module 2, candidates should be able to:

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Identify the essence of financial planning services.	107310L5
MIO-2	Demonstrate comprehensive knowledge of investment products and markets.	107311L4
		107312L4
MIO-3	Examine the techniques of securities analysis and investment.	107518L4
		107520L4
MIO-4	Relate the basic concept of portfolio theory into work practices.	

**Note: For the details of the UoCs, please refer to the Specification of Competency Standards (SCS) of [Retail Banking](#) and [Corporate & Commercial Banking](#) which were developed by HKCAAVQ.*

Assessment

Examination duration:	2.5 hours
Examination format:	Multiple Choice Questions (MCQ) with 80 questions
Pass mark:	70%

Syllabus

Chapter 1: Overview of the Global and Hong Kong Financial Markets	
1.1	Overview of the Global Financial Market
1.1.1	- Factors affecting the global financial market
1.1.2	- Characteristics of an effective financial market
1.1.3	- Market structure and organisation
1.1.4	- Participants in financial markets
1.1.5	- Types of financial markets
1.2	Hong Kong Financial Market
1.2.1	- Market participants
1.2.2	- Role of the government and regulators
1.2.3	- Factors affecting the Hong Kong financial market
Chapter 2: Securities investments in the global market and national markets	
2.1	Investment Returns of Securities in the Global Market
2.1.1	- Risk / return trade-off
2.1.2	- Types of risk
2.1.3	- Attitude to risk
2.1.4	- Measurement of risk and return
2.2	Basics of the “Portfolio Theory”
2.3	Implications of Portfolio Diversification
Chapter 3: Hong Kong financial markets and instruments	
3.1	Equity Market
3.1.1	- Stock market
3.1.2	- Fundamentals of equity securities
3.2	Hong Kong Equity Market
3.2.1	- Development of the Hong Kong equity market

3.2.2	- Structure of the stock market
3.2.3	- Types of the equity securities
3.2.4	- Participants in the equity market
3.2.5	- Trading and settlement systems
3.3	Debt Market
3.3.1	- Fundamentals of debt securities
3.3.2	- Terminologies in a debt securities contract
3.4	Hong Kong Debt Market
3.4.1	- Development of the Hong Kong debt market
3.4.2	- Structure of the debt market
3.4.3	- Types of debt security
3.4.4	- Participants in the debt market
3.4.5	- Trading and settlement systems
3.5	Foreign Exchange Market
3.5.1	- Fundamentals of Foreign Exchange
3.5.2	- Hong Kong linked-exchange rate regime
3.6	Derivatives Market
3.6.1	- What are derivatives?
3.6.2	- Functions of derivatives
3.6.3	- Classification of derivatives
3.7	Hong Kong Derivatives Market
3.7.1	- Structure of the derivatives market
3.7.2	- Types of derivatives
3.7.3	- Participants in the derivatives market
3.7.4	- Trading and settlement systems
Chapter 4: Securities investment	
4.1	Overview of the Global and Hong Kong Securities Markets
4.1.1	- The U.S. market
4.1.2	- The European market
4.1.3	- Other national markets
4.1.4	- The Hong Kong market

4.1.5	- Major market indices
4.1.6	- Factors affecting the securities markets
4.2	The Stock Exchange of Hong Kong
4.2.1	- Primary market
4.2.2	- Secondary market
4.2.3	- Exchange Participants
4.2.4	- Market surveillance on participant behaviour
4.2.5	- Reporting to investors and the market
4.3	Securities Investment and Participants in the Hong Kong Securities Market
4.3.1	- Types of securities
4.3.2	- The Stock market operation
4.3.3	- Participants in the Hong Kong securities market
Chapter 5: Securities analysis	
5.1	Fundamental Analysis
5.1.1	- Macroeconomic analysis
5.1.2	- Industry analysis
5.1.3	- Company analysis
5.1.4	- Valuation of equity
5.1.5	- Top-down vs. bottom-up analysis
5.2	Technical Analysis
5.2.1	- Historical data
5.2.2	- Charting
5.2.3	- Technical indicators
5.2.4	- Common technical analysis methods

Recommended Readings

Essential Readings:

1. HKIB Study Guide of ECF-RWM: Module 2 Investment Planning. (2025).

Supplementary Readings

1. Credit Suisse. (2023). *Global Investments Return Year Book 2023*. <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/research/publications/credit-suisse-global-investment-returns-yearbook-2023-summary-edition.pdf>
2. E-Learning on HKIB Website: Equity Options
3. E-Learning on HKIB Website: Equity Structured Products
4. E-Learning on HKIB Website: Equity Swaps
5. E-Learning on HKIB Website: Equity Valuation Models
6. E-Learning on HKIB Website: Global Equity Markets
7. E-Learning on HKIB Website: Stock Index Futures
8. HKMA Annual report, <https://www.hkma.gov.hk/eng/data-publications-and-research/publications/annual-report/>
9. Matthews, K. & Thompson, J. (2023). *The Economics of Banking* (4th Ed.). John Wiley & Sons.
10. SFC Annual Report, <https://www.sfc.hk/en/Published-resources/Corporate-publications/Annual-reports>

Further Readings

1. Investor and Financial Education Council (2024). *A Quick Guide to Hong Kong's Financial System and Services*. <https://www.ifec.org.hk/web/common/pdf/publication/en/ifec-quick-guide-to-hk-financial-system-services-en.pdf>
2. Valdez, S., & Molyneux, P. (2017). *An Introduction to Global Financial Markets* (8th Ed.), Springer.