**Lecture 3 Assignment: Giovanni Beliossi**

"Describe the likely impact of the practices described in the lecture (arbitrage, short selling, and high-frequency trading) on pricing, liquidity and volatility of the underlying assets, and on the functioning of equity and derivatives markets"

You may find the links below useful:

Short Selling: <http://www.ft.com/indepth/shortselling>

High frequency trading: <http://blogs.reuters.com/macroscope/2013/01/18/sec-has-power-to-ban-high-frequency-trading-congressman-says/>

<http://www.ft.com/cms/s/0/618c60de-4b80-11e2-88b5-00144feab49a.html#axzz2KDXikLTC>

<http://news.bis.gov.uk/Press-Releases/Foresight-report-on-computer-trading-shows-benefits-to-financial-markets-but-calls-for-joint-action-to-manage-risks-6820a.aspx>