BODY OF KNOWLEDGE

Financial Markets Mastery

FMM · 19 weeks · 95 lessons

Alignment: OECD/INFE Domains A–D + IOSCO-OECD Investor Framework (7 content areas); OECD-enhanced treatment in Weeks 15 and 16

Capstone artefact: Market Analysis Portfolio and Investment Thesis

WEALTHPRO AFRICA · E-LEARNING PROGRAMME 2026–2027 · "STRUCTURED. PRACTICAL. CREDIBLE."

Overview

About WealthPro Africa

WealthPro Africa is a structured, OECD-aligned e-learning platform delivering financial literacy and professional skills education across African markets, including Kenya, Nigeria, Ghana, Uganda, Tanzania, and Rwanda. Every lesson is built to the WealthPro 14-Point Lesson Standard and delivered on the WealthPro LMS, powered by OpenEdX, so learning stays practical, credible, and grounded in the realities of the African professional context.

About This Course

Financial Markets Mastery (FMM) is WealthPro Africa's most rigorous course, designed for advanced financial literacy learners, market participants, analysts, advisers, and investors who want to move from understanding how markets work to constructing, defending, and presenting professional-grade investment research. It is explicitly aligned to the OECD/INFE Core Competency Framework (Domains A to D) and the IOSCO-OECD Investor Framework across all seven investor education content areas.

The course is structured across five progressive levels, each building directly on the last. Level 1 (Foundations) establishes market structure, instruments, money mechanics, fixed income, and the African exchanges landscape. Level 2 (Instruments and Analysis Basics) develops foreign exchange, fundamental analysis, technical analysis, and portfolio basics. Level 3 (Advanced Market Strategies) covers advanced equity, derivatives, hedging, portfolio risk, and real-world market strategy. Level 4 (Global Perspectives and Alternative Assets) introduces global markets, alternative investments, regulation, ethics, and behavioural mastery. Level 5 (Mastery Application and Capstone) synthesises everything through macroeconomic overlay and the complete Capstone.

Course Learning Outcomes

1. FMM-CO1: Describe the structure, participants, instruments, and mechanisms of major financial markets, including African exchanges.
2. FMM-CO2: Analyse financial statements and apply fundamental valuation ratios to assess investment suitability.
3. FMM-CO3: Apply technical analysis tools (charts, indicators, support/resistance) to market decision-making.
4. FMM-CO4: Construct and manage a diversified investment portfolio aligned to goals, constraints, and risk profile.
5. FMM-CO5: Apply advanced equity, derivatives, and alternative investment strategies with full risk awareness.
6. FMM-CO6: Interpret macroeconomic data and global trends to inform strategic portfolio positioning.

7. FMM-CO7: Navigate market regulations, investor rights, ethics, and behavioural biases at a mastery level.

How to Use This Body of Knowledge

This Body of Knowledge maps the full scope of the course: every domain, its learning objectives, and its key terms. Use it before the course to preview scope and identify the domains most relevant to your role and life stage, during the course as a lesson-by-lesson study checklist and vocabulary reference, and after the course as a professional reference document. The BOK is the map; the LMS is the journey.

Capstone Artefact

The capstone artefact is the Market Analysis Portfolio and Investment Thesis, the most comprehensive capstone in the WealthPro curriculum. It is a 10-instrument model portfolio with full selection rationale, a written investment thesis integrating macro, fundamental, and technical analysis for at least two instruments, a complete Investment Policy Statement (IPS), a documented ESG screen, a geopolitical risk assessment for at least two African instruments, and a mock investment committee presentation. Built progressively across all five levels and assembled during Level 5, it is professional-grade investment research that learners keep and use beyond the course.

Recommended Resources

- WealthPro Africa (2026). Financial Markets Mastery Workbook, FMM01 through FMM05. WealthPro Africa. Available at: lessons.wealthpro.africa
- IOSCO and OECD (2019). Core Competencies Framework on Financial Literacy for Investors. IOSCO, Madrid. Available at: **https://www.iosco.org**
- OECD/INFE (2020). OECD/INFE 2020 International Survey of Adult Financial Literacy. OECD Publishing, Paris. Available at: **https://www.oecd.org/financial/education**
- CFA Institute (2022). CFA Program Curriculum, Levels I, II, III. CFA Institute, Charlottesville, VA. Available at: **https://www.cfainstitute.org**
- Damodaran, A. (2012). Investment Valuation: Tools and Techniques for Determining the Value of Any Asset. 3rd edn. Wiley Finance, Hoboken, NJ.
- Murphy, J.J. (1999). Technical Analysis of the Financial Markets: A Comprehensive Guide to Trading Methods and Applications. New York Institute of Finance, New York.

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19 Domain 19: Capstone Presentations and Evaluations (3%)

DOMAIN 1: INTRODUCTION TO FINANCIAL MARKETS (4%)

Learning Objectives

1. Describe how financial markets channel capital from savers to borrowers and investors, and identify the roles of each major participant category, retail investors, institutional investors, companies, governments, and regulators.
2. Trace the complete trade lifecycle from order placement through exchange matching to settlement, distinguishing exchange-traded from OTC market mechanics.
3. Compare the structure, listing requirements, liquidity profiles, and investor access conditions of the NSE (Kenya), NGX (Nigeria), JSE (South Africa), BRVM (West Africa), and GSE (Ghana), including M-Akiba as an African retail government bond innovation.
4. Apply OECD investor rights principles to evaluate disclosure quality in a market transaction, and identify the regulator responsible for investor protection in at least two African jurisdictions.

Key Terms

- Financial market
- Capital channel
- Retail investor
- Institutional investor
- Exchange-traded market
- OTC (Over-the-Counter) market
- Trade lifecycle
- Order matching
- Settlement
- NSE (Nairobi Securities Exchange)
- NGX (Nigerian Exchange Group)
- JSE (Johannesburg Stock Exchange)
- BRVM (Bourse Régionale des Valeurs Mobilières)
- GSE (Ghana Stock Exchange)
- M-Akiba
- OECD investor rights baseline

DOMAIN 2: MONEY, INFLATION, AND INVESTING BASICS (4%)

Learning Objectives

1. Calculate present value and future value using compounding formulas and apply time value of money reasoning to compare investment options across different time horizons.
2. Explain the relationship between inflation, purchasing power, and real returns using African cost-of-living reference data, and evaluate how different asset classes respond to inflationary environments.

3. Describe the mechanism by which central bank policy rate changes (CBK, CBN, SARB) transmit through the yield curve to bond prices, mortgage rates, and equity valuations.
4. Interpret a stock quote and an index, and apply real return reasoning to compare savings against investment outcomes in an inflationary context.

Key Terms

- Time value of money
- Present value
- Future value
- Compounding
- Inflation
- Purchasing power
- Real return
- Nominal return
- Central bank policy rate
- CBK (Central Bank of Kenya)
- Stock quote
- Market index (NSE 20, S&P 500)
- Bullish and bearish terminology
- Deferred consumption

DOMAIN 3: STOCK MARKETS IN DEPTH (5%)

Learning Objectives

1. Explain shareholder ownership and rights, including voting and dividends, and calculate dividend yield for a listed company.
2. Analyse how stock prices are determined through supply, demand, expectations, and catalysts, using African market examples.
3. Describe how stock market indexes are constructed and how index funds function as investable vehicles.
4. Trace the IPO and stock issuance process, including pricing, underwriters, secondary offerings, and buybacks.

Key Terms

- Shareholder rights
- Voting rights
- Dividend
- Dividend yield
- Market capitalisation
- Supply and demand
- Price catalyst
- Stock market index
- Index construction
- NSE 20
- NGX All-Share Index
- JSE All-Share Index
- Index fund
- IPO (Initial Public Offering)
- Underwriter
- Share buyback

DOMAIN 4: BOND MARKETS AND INTEREST RATES (6%)

Learning Objectives

1. Define the core characteristics of a bond, including par value, coupon, and maturity, and calculate the cash flows of a worked bond example.
2. Compare government bonds, corporate bonds, and treasury bills on yield, credit risk, liquidity, and regulatory disclosure requirements, using African issuers as primary examples.
3. Explain the inverse price-yield relationship and distinguish current yield from yield-to-maturity in a price calculation.
4. Apply bond pricing mathematics, including yield-to-maturity and duration sensitivity, to evaluate a fixed income investment decision against a stated investor objective.

Key Terms

- Par value
- Coupon
- Maturity
- Government bond
- Corporate bond
- Treasury bill
- Credit rating
- Sovereign risk
- Current yield
- Yield-to-maturity
- Inverse price-yield relationship
- Duration
- M-Akiba platform
- Treasury auction
- Bond funds and ETFs

DOMAIN 5: FOREIGN EXCHANGE AND COMMODITIES (5%)

Learning Objectives

1. Describe the structure of the foreign exchange market and explain how a Kenyan importer needing USD manages currency exposure.
2. Read currency quotes, distinguishing base from quote currency, and identify the factors driving Naira and Cedi volatility for investors.
3. Explain the structure of commodity markets and Africa's role as a commodity economy across oil, cocoa, and coffee.

4. Analyse the investment implications of commodity price changes and gold's safe-haven role, calculating a currency-adjusted profit and loss outcome.

Key Terms

- Foreign exchange (FX) market
- Base currency
- Quote currency
- Currency pair (USD/NGN, USD/ZAR)
- Currency risk
- Currency depreciation
- Commodity market
- Exchange-traded commodities
- Oil
- Cocoa
- Coffee
- Gold
- Safe-haven asset
- Currency-adjusted profit and loss

DOMAIN 6: FINANCIAL STATEMENTS AND FUNDAMENTALS (8%)

Learning Objectives

1. Read and analyse a corporate income statement, balance sheet, and cash flow statement, extracting the key metrics, revenue growth, profit margins, debt ratios, and free cash flow, relevant to an investment decision.
2. Apply fundamental valuation ratios, P/E, Price-to-Book, EV/EBITDA, and dividend yield, to evaluate a listed African equity against its sector peers and historical range.
3. Distinguish accounting profit from cash, explaining why profit does not equal cash and how insolvency risk can hide behind paper profit.
4. Develop an investment thesis from a fundamental analysis of an African company, comparing revenue growth, margin, debt, and P/E against peers.

Key Terms

- Income statement
- Balance sheet
- Cash flow statement
- Revenue growth
- Profit margin
- Free cash flow
- P/E ratio (Price-to-Earnings)
- Price-to-Book ratio
- EV/EBITDA
- Dividend yield
- Debt-to-equity ratio
- Return on equity (ROE)
- Fundamental analysis
- Insolvency risk
- Investment thesis

DOMAIN 7: INTRODUCTION TO TECHNICAL ANALYSIS (5%)

Learning Objectives

1. Interpret candlestick chart patterns and distinguish line from candlestick charts, identifying uptrend and downtrend visually on African exchange price data.
2. Apply support and resistance level analysis to define entry points, stop-loss levels, and price targets for a listed equity trade, documenting the technical rationale.
3. Apply moving averages, Relative Strength Index (RSI), and MACD to identify trend strength, momentum, and potential reversal signals, including golden cross and death cross signals.
4. Apply multi-signal confirmation to a stock chart, combining trend, support and resistance, and indicator readings while recognising the risk of false breakouts.

Key Terms

- Candlestick chart
- Line chart
- Uptrend and downtrend
- Support level
- Resistance level
- Stop-loss
- Price target
- Moving average
- RSI (Relative Strength Index)
- MACD (Moving Average Convergence Divergence)
- Golden cross
- Death cross
- Overbought and oversold
- Multi-signal confirmation
- False breakout

DOMAIN 8: BUILDING AN INVESTMENT PORTFOLIO (6%)

Learning Objectives

1. Explain diversification and asset allocation, comparing conservative and aggressive allocations across life stages from young to near-retirement.
2. Compare investment vehicles, including mutual funds, unit trusts, and ETFs, on pros, cons, and fees.
3. Apply basic portfolio risk management tools, including stop-loss orders, concentration limits, and rebalancing triggers, holding cash as dry powder.
4. Construct a basic portfolio plan aligning goals, risk profile, and asset allocation with example holdings and rationale.

Key Terms

- Diversification
- Asset allocation
- Conservative allocation
- Aggressive allocation
- Mutual fund
- Unit trust
- ETF (Exchange-Traded Fund)
- Fees
- Stop-loss order
- Concentration limit
- Rebalancing trigger
- Cash as dry powder
- Risk profile
- Buy-and-hold investing
- Active trading

DOMAIN 9: ADVANCED EQUITY STRATEGIES (5%)

Learning Objectives

1. Distinguish value investing from growth investing, applying Graham and Buffett value principles across market cycles.
2. Apply a dividend investing strategy using dividend yield and total return, recognising the yield trap in local high-dividend stocks such as banks and telcos.
3. Evaluate international diversification through ADRs and GDRs, accounting for currency risk and foreign withholding tax.
4. Select and defend a portfolio of stocks using data, comparing the actual outcomes of mixed strategy approaches.

Key Terms

- Value investing
- Growth investing
- Graham and Buffett value principles
- Dividend investing
- Total return
- Yield trap
- High-dividend stocks
- ADR (American Depositary Receipt)
- GDR (Global Depositary Receipt)
- International diversification
- Currency risk
- Foreign withholding tax
- Stock picking
- Mixed strategy

DOMAIN 10: DERIVATIVES AND HEDGING (6%)

Learning Objectives

1. Explain how call and put options work, construct payoff diagrams for long and short positions, and distinguish intrinsic from time value in option pricing.
2. Apply futures hedging mechanics to a real African business context, such as a Ghanaian cocoa exporter or a Kenyan importer managing USD/KES currency exposure, and calculate the outcome of the hedge.
3. Evaluate covered call and protective put strategies as tools for income generation and portfolio protection respectively, and identify the market conditions under which each is most appropriate.
4. Assess the risks of leverage in derivatives, including margin calls, time decay, and crypto derivatives volatility, and apply the IOSCO-OECD scam and fraud identification framework to digital asset investment offers.

Key Terms

- Options
- Call option
- Put option
- Payoff diagram
- Intrinsic value
- Time value
- Futures contract
- Hedging
- Covered call
- Protective put
- Leverage
- Margin call
- Time decay
- Crypto derivatives risk
- USD/KES exposure
- Forwards

DOMAIN 11: PORTFOLIO MANAGEMENT AND RISK (7%)

Learning Objectives

1. Apply Modern Portfolio Theory to construct a risk-return optimised portfolio using the efficient frontier concept, and calculate the Sharpe ratio to compare two portfolio options on risk-adjusted return.
2. Measure and manage portfolio risk using beta (market sensitivity), volatility targeting, and maximum drawdown analysis, with specific application to African exchange-listed instruments.
3. Conduct a portfolio stress test applying three shock scenarios, interest rate shock, currency crisis, and commodity crash, and document the findings and recommended mitigation actions.

4. Apply calendar and threshold rebalancing triggers, incorporating tax-efficient management principles relevant to the investor's African jurisdiction.

Key Terms

- Modern Portfolio Theory (MPT)
- Efficient frontier
- Sharpe ratio
- Beta
- Volatility targeting
- Maximum drawdown
- Stress test
- Rate shock scenario
- Currency crisis scenario
- Commodity crash scenario
- Calendar rebalancing
- Threshold rebalancing
- Rebalancing trigger
- Tax-efficient management

DOMAIN 12: REAL-WORLD MARKET ANALYSIS AND STRATEGY (5%)

Learning Objectives

1. Build a layered market thesis using macro, sector, and company-level analysis, constructing both bull and bear cases.
2. Explain the economic cycle-sector rotation relationship and identify the African growth themes, fintech, agri-tech, and infrastructure, most likely to benefit at different cycle stages.
3. Analyse an annual report for investment insight, including the CEO letter, financial highlights, risk factors, and related-party disclosures, using a red flag checklist.
4. Read a sell-side analyst report with critical awareness of conflicts of interest and rating bias, distinguishing consensus from an independent thesis.

Key Terms

- Market thesis
- Bull case
- Bear case
- Sector rotation
- Economic cycle
- African growth themes
- Annual report
- CEO letter
- Risk factors
- Related-party transaction
- Red flag checklist
- Analyst report
- Sell-side conflict of interest
- Consensus estimate
- One-page investment memo

DOMAIN 13: GLOBAL MARKETS AND ECONOMIC TRENDS (5%)

Learning Objectives

1. Explain how global markets are interconnected through contagion, correlation, and the decoupling myth, and how US Fed decisions affect African bond yields.
2. Compare emerging markets and developed markets on risk premium, liquidity, and governance risk, positioning Africa within the emerging market universe.
3. Interpret the primary macroeconomic indicators, GDP growth, inflation, current account, and FX reserves, by reading IMF and World Bank data.
4. Evaluate geopolitical risk and its market impact, including political risk, sanctions, coups, and elections, on African asset prices.

Key Terms

- Global market interconnection
- Contagion
- Correlation
- Decoupling myth
- Emerging markets
- Developed markets
- Risk premium
- Governance risk
- GDP growth
- Current account
- FX reserves
- IMF and World Bank data
- Geopolitical risk
- Political risk
- Sanctions

DOMAIN 14: ALTERNATIVE INVESTMENTS AND INNOVATIONS (5%)

Learning Objectives

1. Explain private equity and venture capital mechanics, deal stages, and return expectations within the African PE landscape.
2. Evaluate Real Estate Investment Trusts (REITs) on structure, income, and liquidity using the African REIT market as the primary example.
3. Assess cryptocurrency and digital assets through a balanced view, weighing the store of value debate against Africa's crypto adoption and associated risks.

4. Apply an ESG and sustainable finance framework to African investments, including green bonds and SDG alignment, and detect greenwashing.

Key Terms

- Private equity
- Venture capital
- Deal stages
- African PE landscape
- REIT (Real Estate Investment Trust)
- Income and liquidity
- Cryptocurrency
- Digital assets
- Store of value
- Crypto adoption risk
- ESG investing
- Sustainable finance
- Green bonds
- SDG alignment
- Greenwashing
- Impact investing

DOMAIN 15: MARKET REGULATIONS AND ETHICS (7%)

Learning Objectives

1. Compare securities regulation across Africa, including the CMA Kenya, SEC Nigeria, and FSCA South Africa, and explain the role of CDS and CSCS systems and regulatory harmonisation trends.
2. Define insider trading and market manipulation, identifying examples, penalties, and the obligations of market participants, including whistleblower protections.
3. Apply the CFA and CISI financial services ethics framework, managing conflicts of interest and fiduciary duty in an African context.
4. Evaluate investor protection mechanisms and redress, including investor compensation funds, complaint escalation, CMA enforcement cases, and the IOSCO-OECD framework.

Key Terms

- Securities regulation
- CMA Kenya
- SEC Nigeria
- FSCA South Africa
- CDS (Central Depository System)
- CSCS
- Regulatory harmonisation
- Insider trading
- Market manipulation
- Whistleblower protection
- CFA and CISI ethics framework
- Conflict of interest
- Fiduciary duty
- Investor compensation fund

- Complaint escalation
- IOSCO-OECD framework

DOMAIN 16: BEHAVIOURAL MASTERY AND REVIEW (5%)

Learning Objectives

1. Recognise the full library of behavioural biases that distort investor decisions, including overconfidence, herding, anchoring, mental accounting, the disposition effect, and FOMO, and apply at least two debiasing techniques.
2. Build a personal investment constitution, a rules-based decision framework that overrides emotional impulses.
3. Apply the IOSCO-OECD scam and fraud framework to identify Ponzi schemes, fake forex brokers, pump-and-dump operations, and social media fraud, and deploy defence protocols.
4. Evaluate digital platform safety for investors using a due diligence checklist covering custody safety, two-factor authentication, phishing, and impersonation against IOSCO standards.

Key Terms

- Behavioural bias
- Overconfidence
- Herd behaviour in markets
- Anchoring
- Mental accounting
- Disposition effect
- FOMO
- Debiasing technique
- Investment constitution
- Rules-based decision framework
- Ponzi scheme
- Pump-and-dump
- Social media fraud
- Platform due diligence
- Two-factor authentication
- Phishing and impersonation

DOMAIN 17: MACROECONOMIC MASTERY AND STRATEGY (4%)

Learning Objectives

1. Evaluate the investment implications of monetary policy transmission, including rate hike and cut cycles, duration risk in bonds, and equity sector rotation triggers.
2. Analyse fiscal policy and sovereign risk, including debt-to-GDP, fiscal deficit impact, and sovereign rating changes, using African sovereign case studies.

3. Apply currency war and FX strategy concepts, including competitive devaluation, currency hedging instruments, and Africa's managed float regimes, to portfolio positioning.
4. Apply a top-down macro investment framework, from global macro signal through African sector selection to individual security choice, and defend a strategic portfolio positioning decision.

Key Terms

- Monetary policy transmission
- Rate hike and cut cycles
- Duration risk
- Sector rotation triggers
- Fiscal policy
- Sovereign risk
- Debt-to-GDP
- Fiscal deficit
- Sovereign rating
- Competitive devaluation
- Currency hedging
- Managed float regime
- Top-down investment framework
- Macro overlay
- Strategic portfolio positioning

DOMAIN 18: CAPSTONE PROJECT WORK AND GUIDANCE (5%)

Learning Objectives

1. Construct a 10-instrument model portfolio with full selection rationale for each instrument, deriving asset allocation explicitly from a stated investment objective, constraint set, and risk profile.
2. Build a written investment thesis integrating macro rationale, fundamental analysis evidence, and technical timing indicators for at least two portfolio instruments.
3. Produce an Investment Policy Statement (IPS) for the capstone portfolio covering objectives, constraints, strategy, risk parameters, rebalancing triggers, and monitoring plan.
4. Apply an ESG screening framework to the portfolio and document a geopolitical risk assessment for at least two African market instruments.

Key Terms

- Market Analysis Portfolio
- 10-instrument model portfolio
- Asset allocation rationale
- Investment thesis
- Macro rationale
- Fundamental analysis evidence
- Technical timing
- Investment Policy Statement (IPS)
- Investment objective
- Constraint set

- Risk parameters
- Monitoring plan
- ESG screening
- Geopolitical risk assessment
- Submission readiness

DOMAIN 19: CAPSTONE PRESENTATIONS AND EVALUATIONS (3%)

Learning Objectives

1. Apply financial presentation discipline, including a one-page summary, data visualisation, and Q&A preparation, to communicate an investment case.
2. Conduct a structured peer review of a Market Analysis Portfolio, critiquing thesis, portfolio, risk, IPS, and ethics.
3. Present and defend the complete Market Analysis Portfolio to a mock investment committee, responding to questions on suitability, risk, ethics, and market assumptions, and refine the submission based on structured peer and panel feedback.
4. Verify OECD compliance at final submission and identify CFA and CISI pathway options for continuing education.

Key Terms

- Financial presentation discipline
- One-page investment summary
- Data visualisation for investment
- Q&A preparation
- Peer review protocol
- Mock investment committee
- Investment suitability
- Panel feedback integration
- Final capstone submission
- OECD compliance verification
- FMM completion certificate
- CFA/CISI pathway
- Continuing education