

Asymmetric and Partial Information
Lectures for the 2003 CIME-EMS Summer School
on Stochastic Methods in Finance
Kerry Back

These lectures will focus on the lecturer's research into information flow and optimal trading in markets with asymmetric information.

Lectures

1. Glosten-Milgrom and Kyle Models
2. Continuous-Time Kyle Model
3. Convergence of Glosten-Milgrom to Kyle
4. Competition Among Multiple Informed Traders
5. Limit Orders

References

1. Glosten, L., and P. Milgrom, 1985, Bid, ask and transaction prices in a specialist market with heterogeneously informed traders, *Journal of Financial Economics* 14, 71-100.
2. Kyle, A., 1985, Continuous auctions and insider trading, *Econometrica* 53, 1315-1335.
3. Kyle, A., 1989, Informed speculation with imperfect competition, *Review of Economic Studies* 56, 317-356.
4. Back, K., 1992, Insider trading in continuous time, *Review of Financial Studies* 5, 387-409.
5. Back, K., H. Cao, and G. Willard, 2000, Imperfect competition among informed traders, *Journal of Finance* 55, 2117-2155.
6. Back, K., and S. Baruch, 2002, Information in securities markets: Kyle meets Glosten and Milgrom, working paper.