

Derivatives & Market Dynamics

4 Day Training Programme

This comprehensive 4-day training programme is designed to provide delegates with the knowledge required to understand the implications of derivative and structured product transactions. The key features of swaps and options are reviewed, followed by an analysis of the application, pricing, hedging and risk management processes used in the market.

As well as case studies and projects each delegate gets to practice the skills learnt in a state-of-the-art trading floor specifically designed for training.

London

10th – 13th

December 2012

United Kingdom



Course Director

Mr. Steve Bowles

www.itreasuryservices.com



Derivatives and Market Dynamics

In addition to the more traditional exercises and case studies, the programme includes a number of very interactive activities that are both highly educational and engaging for delegates. Throughout the 4 days of training delegates will spend time on the trading floor putting into practice the theory. Each morning the delegates will also be engaged in the Morning Trading Game.

Featuring:

- ☑ **Understanding key features of the major derivative products traded in global financial markets**
- ☑ **Identify the potential market risks associated with derivative transactions and structured products**
- ☑ **Apply the pricing principles used in derivative markets and understand the degree of sensitivity to each key pricing input**

AGENDA

Day 1: Swap Pricing

Module 1: Introduction and Review of Swap Principles

- Course Introduction
- The role of derivatives in a bank
- Review of Swap Concept
- Swap market overview
- Market conventions and quotations
- Swap applications
- Principle of comparative advantage

Module 2: Swap Mathematics

- Swap pricing and valuation concepts
- The zero coupon curve
- Calculating discount factors from zero rates
- Generating forward rates from discount factors
- Linking swap rates and discount factors
- Building the discount function

Module 3: Swap Valuation

- The principles behind swap valuation
- Valuing an interest rate swap
- Understanding forward rates
- The link between swap prices and forward rates

Module 4: Non Standard Interest Rate Swaps

- Non constant principal swaps
- Forward Starting Swaps
- Valuing non-standard swaps
- Basis swaps
- Par asset swaps
- Accordion swaps

During the use of the Morning Trading Game delegates are broken into small groups for the duration of the programme. Each group needs to take trading positions within stated position limits across 6 markets using real market prices. The positions are marked-to-market and groups are able to change their positions during each analysis session.

A leader-board ranks the teams performances and the winning team is one with the highest profit at the end of the programme.

About International Treasury Services

- GLOBAL TRAINING COMPANY
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- LEARNING ACADEMY PORTAL
- GRADUATE PROGRAMMES
- BLENDED LEARNING ETHOS
- LEARNING AND DEVELOPMENT FORUMS

INTERNATIONAL TREASURY SERVICES

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WHO SHOULD ATTEND

This programme is designed to provide delegates with a broad understanding of derivative and structured product markets. It is suitable for all employees that will be exposed to derivative products

COURSE VENUE

The course will be delivered at our state-of-the-art training facility in the City of London which incorporates training rooms as well as a highly sophisticated trading floor designed specifically for training

COURSE DIRECTOR

Steve Bowles has over 20 years experience trading global financial markets and now is Director of Training for International Treasury Services (Europe). He has also spent time developing a 'black box' market trading model and actively trades a broad range of futures and options markets around the world covering all market sectors

Originally from Australia Steve has worked in banks both in Asia and Europe. Formerly at Tokai Bank in London as a Senior Dealer on the proprietary derivatives trading desk and was actively trading short and long term futures contracts, forward rate agreements, interest rate swaps, options and foreign exchange. Prior to that Steve spent three years at Rabobank London as a price maker in FRA's and interest rate swaps as part of the money markets desk

Steve has designed and delivered training to some of the world's leading banks, including Goldman Sachs, Barclays Capital, HSBC, BNP Paribas, Bank of America Merrill Lynch and UniCredit to name a few and is continually requested as the senior trainer to these firms


Bank of England

Day 2: Understanding Swap Risks

Module 5: Identifying Swap Risks

Identifying sources of swap risk
Different types of market risk
Transaction versus portfolio hedging
Cash flow bucketing
Swap spread risk
Swap credit risk

Module 6: Managing & Hedging Swap Risks

Swap hedging products
PVBP and other risk measurements
Hedging with STIR futures
Tailing the hedge & compounding error
Hedging with bond or swap futures
Swap carry and slide

Module 7: Other Types of Swaps

Zero coupon swaps
Overnight index swaps
Basis Swaps
Overnight Index Swaps
LIBOR-OIS spread
Cross currency swaps
Inflation swaps
Equity swaps

Module 8: Option Review

Option overview
Option market terminology
Calls versus puts on exercise
Option pay-off diagrams
Intrinsic versus Time Value
American versus European options

Day 3: Understanding Options

Module 9: Principles of Option Pricing

Option pricing variables
Principles of option pricing
Option pricing models
The Black Scholes pricing model
Binomial and Monte Carlo pricing techniques
Put-Call Parity

Module 10: Option Risk and Volatility

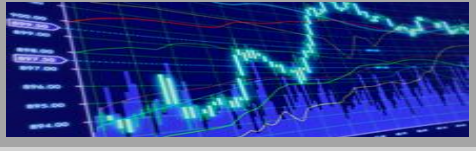
Overview of option risks
The Greeks
Understanding Delta and Gamma
How time influences option prices
Vega and Rho
Volatility analysis in depth

Module 11: FX and other Types of Options

Foreign Exchange options
At the Money Forwards and quoting volatility
Risk reversals
Interest rate caps, floors and collars
Swaptions
Bond options

Module 12: Exotic Options Primer

Introduction to exotic options
Path dependent options
Barrier options
Time dependent options
Digital options
Hedging strategies with digital options



FURTHER INFORMATION

Please contact the following:

Course Coordinator – Henry Lamond on: +**44 (0) 203 159 4361** or email at henry.lamond@itreasuryservices.com

or email our Customer Service Team at cst@itreasuryservices.com

CUSTOMER INFROMATION

Terms & Conditions

Fees include all the tuition, full course documentation, certificates, lunches and refreshments for the duration of the programme

ITS (EMEA) are NOT responsible for covering airfare or other travel costs incurred by registrants. Delegates will be responsible for their own accommodation.

ITS (EMEA) can advice on hotel accommodation if required

An invoice will be sent upon receipt of registration form. Payment must be received in full prior to the course start.

*Under UK Excise regulations delegates from all countries are required to pay VAT (20%) on all courses taken place in UK, eligible applicants are able to claim back the VAT.

Delegates are strongly advised to obtain relevant travel visas up to 3 weeks prior to the course

DATA PROCTECTION

By submitting your details, you will be indicating your consent to the use of your data. Further information on our use of your personal data is set out in our privacy policy, which is available at www.itreasuryservices.com/privacy.html or can be provided to you separately upon request

Day 4: Structured Products

Module 13: Introduction to Structured Products

What are structured products?

Why invest in structured products?

Issuer motivations

Major product categories

The role of capital protection

Potential for enhanced returns

Module 14: Key Structured Product Categories

Types of capital protection

The role of zero coupon bonds

Buffered notes

Accelerator style products

Upside caps on return

Adding in downside exposure

Range notes and range accrual notes

Module 15: Pricing Issues and Market Terminology

The role of interest rates

The impact of maturity and volatility

Secondary pricing effects

Forward pricing

Other factors that influence pricing

Early redemption features

Snowballs, wedding cakes and mountain ranges

Module 16: Client Suitability and Building a Structured Product

Understanding a products features

Identifying risks

Product pitfalls to avoid

One Canada Square - Canary Wharf



London Training Trading Floor



Course Fee

£1,995.00

COURSE FEE £1,995.00 (one thousand nine hundred and ninety five pounds, exclusive of VAT*)

Same company discount - 2 delegates - 10% discount, 3 delegates - 15% discount

REGISTRATION FORM

Please print this page for each delegate, complete it in block letters then scan and email to: cst@itreasuryservices.com or call us on +44 (0) 203 159 4361

Delegate details:

Mr./Mrs./Ms: First name _____

Surname _____

Company: _____

Position: _____

Department _____Telephone _____

Address: _____

_____

Email: _____

I have read and understood the booking terms and conditions ☐

Signature _____ Date: _____

CANCELLATION POLICY

Cancellation requests must be made 20 working days before the course commencement date. A full refund less a £50 administration fee will be given. Cancelation with less than 20 days before the course commencement date, or non attendance, will attract no refund

PAYMENT DETAILS:

PLEASE MAKE PAYMENT BY BANK TRANSFER TO THE ACCOUNT STATED BELOW: USING REF: DAMD1012

ACCOUNT NAME: **International Treasury Services (Europe) Ltd**

BANK NAME: **HSBC**

SORT CODE: **40-05-30**

ACCOUNT NUMBER: **94081552**

IBAN: **GB29MIDL40053094081552**

ITS (Europe) Ltd reserves the right to change or cancel any part of its published programme due to unforeseen circumstances

LONDON

Location

The campus is less than a 5-minute walk from Liverpool Street station - a major bus, underground and mainline rail hub with excellent connections to airports. East India House is located on the exclusive Devonshire Square Estate with shops, cafés, restaurants and street markets within the immediate area, as well as some of London's leading sports facilities.











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ITS (Europe) Limited

