



Swaps I

This course covers the basic structure of swaps, their characteristics and features and examines the pricing and risks associated with this derivative instrument.

Targeted Audience

Traders, sales professionals, back office professionals, financial analysts, cash/money managers, auditors, compliance professionals, financial and bank officers, accountants and regulators.

Special Offer

Clients who register for this course will receive a complimentary 4-month subscription to FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. The move to the electronic version follows an ongoing review of our environmental responsibilities as a global business and as part of the Pearson group. FT.com also has features that are not available in hard copy, such as: Special Reports, Alphaville, editor blogs, education sections and much more! Subscriptions will start within 6-8 weeks of the start of class and are limited to one subscription per client. (Please note: as of May 1, 2011, the electronic subscription replaces the hard-copy 3-month Financial Times subscription.)

Advance Preparation

No advance preparation required.

Learning Objectives

Students will be able to:

- . Define and discuss characteristics of interest rate swaps
- . Discuss swap specific risks
- . Understand market participants and the use of swaps

- . Determine and quantify credit exposure in swaps
- . Explore the implications of FAS 133 for swaps
- . Define currency swaps and their application
- . Define, price and explore applications of interest rate options, caps, floors and collars
- . Discuss other types of swaps such as asset and amortizing swaps

Alumni Comments

"The instructor was so engaging his enthusiasm was contagious. Knowledge is impressive!"

"Excellent real world examples using today's market & past instances to illustrate topic."

"From zero knowledge on swaps to a solid basic understanding!"

"Good, real world experience combined with academic knowledge."

"The instructor's knowledge, experience & ability to relate to real world situations were a real plus!"

Level: Basic

CPE Credits: 7.0

Instructional Method: Group-Live

Detailed Outline

Swaps 1

Introduction - Course Overview

Interest Rate Swaps

- . Definition of an interest rate swap
- . Plain vanilla swaps
- . Characteristics and features of interest rate swaps
- . Why enter into a swap
- . Interest rate swap pricing

Risks Specific to Swaps

- . Identify the different risks associated with swaps

Other types of Swaps

- . Other types of interest rate swaps
- . Credit Default Swaps
- . Asset and amortizing swaps

Credit Exposure in Swaps

- . How is exposure measured to counterparties
- . What type of limits are used to manage this risk

FAS 133

- . Explore the implications of FAS 133 for swaps

Currency Swaps

- . Define a currency swap
- . Terminology
- . Applications of currency swaps
- . Types of Currency Swaps: fixed:fixed, Floating:fixed, floating:floating
- . Pricing and valuation

Interest Rate Options: Caps, Floors and Collars

- . Definition of interest rate options
- . Pricing and application of caps, floors, and collars

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.