



Options Markets - Evening

Options Markets I is a basic to intermediate level program that provides participants with an extensive, in-depth introduction to today's options markets. The program begins with a review of option contract basics: fundamental aspects of puts and calls; terms and definitions; factors influencing option values. Presentation will address the risk/return characteristics of individual contract positions in addition to their use in various directional, volatility and arbitrage trading strategies. Subsequent discussion will introduce pricing models (Black-Scholes and binomial), their use in quantifying pricing dynamics (the

Available Session(s):

02-Oct-2008 -- 18-Dec-2008	New York	USD \$2275
NY Institute of Finance - Midtown	5:45pm - 8:15pm	Thu

Instructor(s):[Douglas Carroll;]

Targeted Audience

Floor and compliance personnel, trade support staff seeking advancement and marketing staff.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

Financial calculator required

Learning Objectives

Students will be able to:

- Recognize and correctly interpret option related terminology
- Explain the risk/return characteristics of long and short put and call positions
- Describe the
- Recognize typical directional, volatility and arbitrage trading strategies, as well as the risk/return characteristics and implied market view of each
- Describe the characteristics, basic assumptions, inputs and applications of widely used options pricing models (Black-Sholes and binomial)

Level: Basic

CPE Credits: 25.0

Instructional Method: Group-Live

Detailed Outline

SESSION 1

- Introduction to Options
- Option Basics
- Option Market Terminology
- Types of Options
- Trading Strategies and Risk Management
- Buying Options
- Buying Calls
- Buying Puts
- Option Buying Strategies

SESSION 2

- Selling Options
- Selling Calls
- Selling Puts
- Option Selling Strategies
- Basic Stock and Option Strategies
- Covered Writing
- Writing Covered Calls
- Hedging with Long Options
- Protective Put Buyng
- Collar

SESSION 3

- Option Markets
- Exchange Traded (Listed) Options
- Over-the-Counter (OTC) Options
- American, European and Other Styles of Options
- Option Pricing Basics
- Factors Impacting Option Prices
- Valuation Relationships
- Put/Call Parity

SESSION 4

- Types of Options
- Equity Options
- Fixed Income Options
- Interest Rate Options
- Futures/Forwards Options
- Currency Options
- Exotic Options
- Option Pricing Dynamics
- Option Pricing Models
- Black-Scholes
- Binomial Pricing Models

SESSION 5

- Option Spread Trading
- Directional Strategies
- Bull Spreads
- Bear Spreads
- Volatility Trades
- Straddles
- Strangles

SESSION 6

- Volatility Trades (Continued)
- Ratio Spreads
- Reverse Ratio Spreads
- Butterfly Spreads
- Reverse Butterfly Spreads

SESSION 7

- Arbitrage Strategies
- Conversions
- Reversals (Reverse Conversions)
- Box Spreads
- The Market as a Bank
- Credit Boxes = Borrowing from the Market
- Debit = Investing in the Market

SESSION 8

- Option Pricing Revisited
- The
- Delta
- Gamma
- Theta
- Rho
- Vega (Kappa)
- Option Pricing Models
- Trading and Valuation Applications

SESSION 9

- Exotic Options
- Barrier Options (Knock-ins and Knock-outs)
- Digital (Binary or Bet) Options
- Look Back and Modified Look Back Options
- Mid Atlantic (Bermudan) Options
- Asian Options
- Ratchet and Cliquet Options
- Caps, Floors and Collars

SESSION 10

- Options and Financial Engineering
- Convertible Bonds
- PERCs, DECs and other Mandatory Convertible Securities
- Structured Products
- Capped Notes
- Equity Linked Notes and Deposits

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