



Derivatives Suite: Strategies, Trading & Valuation

In this program, participants develop their expertise in one of the most rapidly growing areas in international finance. Derivative instruments describe the basics of swaps, caps, floors, forward rate agreements, captions and swaptions. This program explores hedging from both a micro and macro perspective, sophisticated off-balance sheet activities and their effect on bank capital standards, and mastering pricing, including direct versus synthetic pricing.

Available Session(s):

08-Dec-2008 -- 12-Dec-2008	Chicago	USD \$4675
NY Institute of Finance - Chicago	9:00am - 4:30pm	Mon Tue Wed Thu Fri
Instructor(s):[Ronald T. Slivka;]		
02-Mar-2009 -- 06-Mar-2009	New York	USD \$4875
NY Institute of Finance - Midtown	9:00am - 4:30pm	Mon Tue Wed Thu Fri
Instructor(s):[Various Instructors;]		
22-Jun-2009 -- 26-Jun-2009	New York	USD \$4875
NY Institute of Finance - Midtown	9:00am - 4:30pm	Mon Tue Wed Thu Fri
Instructor(s):[Various Instructors;]		

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 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.

Level: Intermediate

CPE Credits: 36

Instructional Method: Group-Live

Detailed Outline

Day 1 - Futures and Forwards

Futures and Forwards

- Define futures and forwards
- What are the mechanics of futures
- Examine the pricing of both contracts
- What are the differences between the two contracts

Forward Rate Agreements

- Define a FRA
- How they are priced
- Applications of FRA
- Review the beginnings of the forward curve

Eurodollar Futures

- Show applications of Eurodollar futures
- What is the basis of a futures contract

Bond and Note Futures

- Explain the settlement differences between these contracts and the Eurodollar future
- What is meant by cheapest to deliver
- Examine pricing

Stock Index Futures

- Look at the settlement procedures
- Evaluate the pricing of stock index futures
- Show some applications

Day 2 - Options Markets I

Options: Definitions and Terminology

- Calls
- Puts
- Underlying security
- Exercise price (strike price)
- Expiration date

The Call Option

- Buying Calls
- Selling (writing) calls

The Put Option

- Buying puts
- Selling (writing) puts
- Hedging with puts

Options Strategies

- Bullish strategies
- Bearish strategies

Options on Exchange Traded Funds (ETF's)

- Small cap indexes

Options on indexes

- Sector indexes

Options Pricing

- Variables affecting an Options Value
- The price of the underlying

- What is meant by program trading

- Time to expiration
 - Exercise prices
 - Market psychology
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Day 3 - Options Markets II

Trading Strategies

- Reviewing the Building Blocks of Options: Puts and Calls
- Spreads
- Volatile Plays
- How to increase yields
- Portfolio strategies
- Develop costless strategies to protect profits

Options Pricing

- Introduction to probability
- Option Valuation using the binomial model
- Examine volatility and the different types of volatilities
- Introduce normal distributions
- Black Scholes Model

The Greeks

- Delta Neutral
- Software Application
- The Greeks are defined and applied in options trading

Day 4 - Swaps I

Interest Rate Swaps

- Definition of an interest 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 swaps
- Asset and amortizing swaps

Credit Exposure in Swaps

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

FAS 133

- Explore the implications of 133 for swaps

Currency Swaps

- Define a currency swaps
- Terminology
- Applications of currency
- Pricing and valuation

Interest Rate options: Caps and Collars

- Definition of interest rate
- Pricing and application of floors and collars

Day 5 - Swaps II

Yield Curves and Swap Valuations

- Yield curves
- What is the par swap curve
- How is the spot curve derived
- Where does the forward curve fit into the pricing of swaps

Eurodollar Futures

- The eurodollar strip

Duration and Convexity

- Duration and its applications
- Define convexity
- Present Value of a basis point (DV01)

Running a USD Interest Rate Swap Book

- Mapping cash flows to appropriate buckets
- Measuring cash flows by DV01
- Hedging cash flows

Swaptions

- Define swaptions
- Pricing swaptions
- Application of swaptions

Asset Swaps

- Par-Par Swaps

Other Types of Swaps

Currency Swaps

- Pricing and Valuation
- Evaluating conversion factors

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