



## Introduction to Stealth Trading Using Fusion, Algorithms, and Derivatives for Professionals

Today, portfolio managers increasingly must use stealth trading in order to disguise their intentions and thus benefit from best execution. The old ways of staring at a Bloomberg to get bid/ask quotes and transacting an order is gradually being supplemented by more sophisticated strategies to meet various investment goals. The objective of this one-day course is to give the student an introduction to various trading strategies that can achieve best execution.

The appeal of this course is that it is a bridge to those seeking careers in the new forms of trading that are replacing the old methods. The trading process is very competitive and has grown more complex for professionals in terms of execution, regulatory requirements and hiding intentions.

### Targeted Audience

Traders, institutional portfolio managers, asset allocation specialists, high net worth managers, hedge fund managers, stock analysts, fund of fund managers and asset management consultants

### 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.

### Prerequisites

Students are expected to be familiar in basic courses such as investments, quantitative methods and derivatives. Familiarity with technical analysis and behavioral finance will be helpful.

## Learning Objectives

Students will be able to:

- . Explain the importance of stealth trading
- . Explain the concept of best execution
- . Analyze the challenges of creating best execution
- . Know key regulatory concepts
- . Explain key components of trading costs
- . Describe algorithmic trading
- . Describe and give examples of using VWAP, VTAP, POS, Hypertrading
- . Describe traditional methods of trading using quote services
- . Determine major technical methods
- . Evaluate behavioral issues
- . Determine the requirements of using quant strategies
- . Determine fusion strategies that blend fundamentals and technical tools
- . Differentiate between traditional and algorithmic trading techniques
- . Analyze and decide which trading methods could lead to optimal trading strategies of cash, slices with discount pricing and derivatives, which include the use of options, futures and swaps
- . Differentiate between writing options and buying options for portfolio execution
- . Explain information derived from futures markets that exhibit contango and backwardation
- . Explain the different components of a fusion trade

- . Create a pairs trade
- . Know the likely academic and training career requirements for trading

## **Alumni Comments**

*"Great course!"*

**Level: Intermediate**

**CPE Credits: 7.0**

**Instructional Method: Group-Live**

## **Detailed Outline**

**Basic Concepts - This will cover a review of the general trading considerations required in executing orders**

- . Review of best execution, goals and regulations
- . Key components of trading costs: actual and hidden
- . Day, swing, pair trading, best execution
- . Trading benefits and pitfalls, behavioral issues

**Trading Methods - This will cover an examination of leading trading strategies used on Wall Street**

- . Hybrid, algorithmic
- . VWAP, VTAP, POS. Hyper Trading
- . Dark pools
- . Fusion using technical, fundamentals, behavioral and quant
- . Slices
- . Pairs trading
- . Examining algorithmic processes, programming issues
- . Challenges of creating trading algorithms

**Trading Efficiency - This will cover a review of various limitations and benefits of trading strategies of**

- . Cash and sequential trades
- . Slices with discounts
- . Derivatives considerations

- . Options utilizing call and put strategies
- . Futures with contango and backwardation
- . Swaps

### **Career Paths**

- . Academic and professional designation routes
- . Intern and job training paths
- . Hands on experience

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