



UNDERSTANDING FINANCIAL TRADING

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OBJECTIVE

To provide anyone involved in or with traders with a firsthand experience of financial market trading. Having gained an insight into trading in financial markets participants should be able to:

- Understand trading jargon
- Discuss traders requirements with confidence
- Offer better support and solutions for clients and colleagues

Different products such as Equities, FX, Government Bonds, Derivatives, Oil etc will be covered and explained to ensure a wide experience of Financial Products & Commodities

PARTICIPANTS Limited to 12 per course

- Managers & Directors with a Trading responsibility and little or no experience
- IT Developers who need to create solutions and support front office and traders
- Mid & Back Office executives
- Risk Controllers & Compliance executives & staff
- Dealing Support staff in Banks, Hedge Funds, Brokers etc

STRUCTURE

Presentations for each products followed by computerised trading simulations followed by a debriefing.

CONTENT

SESSION 1 - BACKGROUND TO THE FINANCIAL MARKETS

- Equity Markets
- FX Markets
- Interest Rate Markets
- Credit Markets

SIMULATION ONE *Vodafone Shares*

Participants trade Vodafone shares as prop traders to understand the structure of quotations and how to execute a trade and manage a position within pre-agreed limits.

SESSION 2 - FUNDAMENTAL AND TECHNICAL TRADING

SESSION 3 - TRADE PROCESSING, MONITORING AND RISK MANAGEMENT:

The Life Cycle of a trade

- Opening trade execution & Closing Out trades
- Cash flows of the trade at execution, during the trade and on maturity
- Confirmation and booking entries

Risk management of a trade

- Value at risk
- Trading limits – setting and monitoring
- Customer limits
- Practical Option Greeks for option risk management
- Collateral management

SIMULATION TWO: *Fundamental Trading of Interest Rates (Government Bonds)*

SIMULATION THREE: *Technical Trading of FX (GBP/USD spot trading)*

SESSION 4 – SALES TRADERS

Sales Traders do not trade the banks' capital but act as facilitators for customers and execute trades in the markets on behalf of customers. This section will explain how the sales traders operate.

SIMULATION FOUR: *Credit Market Trading of Asset Swaps*

Participants take the role of sales trader in the credit markets and will execute trades in Asset Swaps (Floating Rate Corporate Securities) on behalf of fund managers. In this simulation delegates will understand how "flow" business works and is different from proprietary trading and position taken

SESSION 5 – DERIVATIVES TRADING (INTEREST RATE SWAPS)

Most position trading is done using derivatives. In this section delegates will get their first introduction into Delta 1 derivatives by learning about Interest Rate Swaps.

SIMULATION FIVE: *Interest Rate Swaps*

Participants use the information that they have learned to trade interest rate swaps on behalf of their institution

SESSION 6 – OPTION TRADING

Delegates are exposed to Option trading. They learn the fundamentals of Options and how option prices respond to underlying asset prices, market volatility and the passage of time. Some simple option strategies will be shown. Delegates will learn how to use position management techniques using Delta, Vega and Theta.

SIMULATION SIX: *Crude Oil Options Trading*

In this simulation participants will be takers of prices and will not be expected to make markets for other participants. They will be given information about economic and political events and some technical data and will be asked to take a position in the oil market using a combination of crude oil futures and options. They will then trade the position for changes in crude oil prices, crude oil market volatility and the passage of time.

Course length: **2 days.**

London 17 – 18 February, 23 – 24 June, 15 – 16 September 2010

Zurich 10- 11 March 2010

Dublin 12 – 13 May 2010

<u>Fee</u>	London:	£990 + VAT
	Zurich	CHF 1650
	Dublin	Euro 1480