

INTERNATIONAL RESIDENTIAL TRAINING ON FIXED INCOME & FX TRADING with SIMULATION

June 25 - 27, 2018 (3 Days)

Course Fee:	
Members	N500,000.00 per participant - <i>Exclusive of WHT/VAT</i>
Non-members	N650,000.00 per participant - <i>Exclusive of WHT/VAT</i>

The above fee covers boarding, tuition, study materials/instructional packs, tea/coffee break and meals

Venue: Dover Hotels Lekki Phase 1, Lagos

Check-in: 8.00am, Monday, June 25, 2018

COURSE OUTLINE

YIELD CURVES AND SHORT-TERM DEBT MARKETS

- Short- term vs Long term interest rates
- Distinction between interest rates and returns
- Behaviour of interest rates
 - What determine the price of funds or level of interest rates
- Term structure of interest rates
- Determinants of the shape of the term structure
- Review of instruments traded/used in the money market
 - Interbank deposits (Depos)
 - Promissory notes(PNs)
 - Negotiable certificate of deposit(NCDs)
 - Commercial paper(CP) and Treasury Bills (TB)
- Pricing and quoting conventions
- Primary and secondary Market pricing calculations
- Using Money market instruments to take views on interest rate movements and enhance return
- Day count and accrual conventions
- Calculation of the Holding Period Return
- The Repo system (i.e., the South African)

MECHANICS OF THE BOND (CAPITAL) MARKETS

- Introduction to bond valuation
 - Clean vs all in price
 - Accrued interest
 - Book closure dates
 - Cum and Ex dates
- Government bond markets
- Eurobond bond markets
- Corporate bond markets
- Zero coupon bonds
- Different types of yield measures
 - Running yield
 - Simple yield
 - Yield-to-maturity
 - Total return
 - Horizon yield
- Distinguishing the money and capital markets
- The role of the Central Bank and monetary policy
- The depo market and the role of LIBOR & Euribor
 - How Libor is calculated
 - The shortcomings in Libor exposed by the 2008 Financial Crisis
 - Overnight rates & indices (e.g. EONIA®; Fed funds rate)
- Behavioural Finance
- Monte Carlo Simulation and Value -at-Risk

FOREIGN EXCHANGE

- Introduction to Foreign Exchange
 - The historical perspective
 - The economics of foreign exchange
 - Foreign Exchange Trading Methods and Strategies
- Introduction to FX Derivatives
 - Forwards
 - FRAs & STIRs
 - Currency swaps
- FX Derivatives Market Structure
- Vanilla FX Derivatives Greeks
- Vanilla FX Derivatives Pricing
- Vanilla FX Derivatives Risk Management
- Multicurrency Options
 - Exchange options
 - Quantos
 - Best-ofs and Worst-ofs
 - Basket options

INTEREST RATE DERIVATIVES AND OPTIONS FUNDAMENTALS

- Hedging in the Cash Market
- What is a Derivative contract
- OTC vs Exchange Traded derivatives
- Short term interest rate derivatives
 - Spot vs Forward Interest Rates
 - Presentation of the concept of the Forward-Forward
 - Forward Rate Agreements
 - Interest rate swaps
 - Cross currency swaps
- Financial Options

SIMULATION

Practical A : Building a Trading Simulator in Excel

Practical B : Building a Black Scholes FX Option Pricer in Excel

Practical C : Building a Monte Carlo FX Option Pricer in Excel

Participants are to come with their Scientific Calculator.

Kindly note that limited participation slots are available, so it would be on first come, first served basis.

Interested institutions are to forward their nominee(s) to mmanhq@fmda.com.ng and request for reservation of participation slot(s) should be made to Chris/Mary with a certified bank cheque in favour of **Financial Markets Dealers Association**.