

This training course is designed to expand delegates' knowledge of forward markets, futures & forward contracts and the design, structure and use of these instruments.

Learning objectives

Acquiring insight and knowledge of:

- The working of futures & forward contracts
- The optimal use of these contracts for difference
- Exchange and OTC settlement procedures
- Pricing of futures & forwards
- Forward curves in the real world
- Trading and hedging with futures & forwards

Target group

Mercurious' Futures & Futures Trading courses are suitable for all members of the financial community including:

- Traders
- Risk managers
- Analysts
- Exchange staff
- Investment managers
- Back Office staff
- Asset & portfolio managers
- Financial consultants to the financial markets

Training

The training course will equip delegates with an appropriate knowledge of how to price & trade futures contracts. They learn how to use these instruments in the light of risk management (hedging) as well as with the aim to speculate or arbitrage.

The training sessions have a strong interactive character whereby the involvement of participants is of utmost importance. A clear overall picture of the working of futures, their markets, relevant developments, risks and other relevant issues is provided during the training sessions by means of exercises, calculations and theory.

Content

This training course covers one full day. While dealing with each subject, attention is given to the various characteristics, aspects, opportunities and risks attached to that subject. We can tailor the course to match your specific requirements. For example, the course can be split into specific sections or used as a building block for an extended course.

Futures & Futures Trading - Advanced

DAY 1

Derivatives

- Futures, options & swaps
- Comparison of futures with other derivatives
 - Conditional vs. unconditional
 - Right vs. obligation
 - Risks
 - Time & expectation value
 - Leverage
 - Margin

Risk management

- Introduction
- Definition of risk
- Risk-Reward ratio
- Risk management
- Kinds of risk
 - Non-systematic risk
 - Systematic risk
 - Liquidity risk
 - Counterparty (credit) risk
- Relation & correlation
- Hedging

Financial market futures contracts

- Delivery vs. cash settlement
 - Delivery options
 - Deriving settlement prices
- Forward curves and arbitrage
- Spread trading

Commodity & Energy Futures contracts

- Physical vs. financial settlement
- Commodities
 - Soft commodities
 - Metals
 - Energy
 - Bio-energy
- Commodity prices and forward curves
- Commodity futures and arbitrage limits
- Energy futures (energy & energy products)
- Hedging and spread trading
- Cross margins

