

This training course is designed to introduce delegates with in-depth knowledge and skills with respect to swaps, swaps trading and pricing.

Learning objectives

Acquiring insight and knowledge of:
Derivatives strategies with swaps
Swaps trading
Swaps pricing
Managing swap positions
Valuation of swaps

Target group

Mercurious' Options courses are particularly suitable for members of the financial and commodity community, including:

Traders
Analysts
Risk managers
Executives
Back office staff
Asset managers
Investment managers
Portfolio managers
Financial consultants

Training

The training course will provide delegates in-depth knowledge and skills with respect to swaps, swap trading and pricing. They learn to understand the motivation of market participants to enter swaps positions (long and short) for purpose of hedging, arbitrage or speculation. Delegates will get a real feel for swap contracts by following their proceeds using real world examples.

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 swaps, 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.

Swaps & Swap Trading – Advanced

Swap Properties

- Comparative advantages
- Cash flow analysis
- Swap valuation & early exit
- Risks involved in swaps

Financial Markets Swaps

- Interest rate swaps
- Currency swaps
- Mechanisms of currency swaps
- Exchange of principal
- Pricing of currency swaps

Commodity Swaps

- Hedging commodity price risk
- Plain vanilla commodity swaps
- Metal hedging
- Matching natural counterparties
- Swap futures

Gross Margin Swaps

- Crack spreads
- Differential Swaps
 - Spark spread
 - Dark spreads
 - Clean vs. dirty spreads

Hedging decisions involving swaps

- The optimal Hedge size
- Choosing for self-insurance
- Using swaps versus hedging core risk only
- Correlation (remote) hedging

Swaptions

- Swaption Variants
- Pricing Swaptions
- Practical applications

