

Introduction to Derivatives Trading (beginner)

Derivatives, be it options, futures or warrants, are flexible financial instruments that enable their user to create any desired pay-off pattern given their expected movement of the underlying instrument. Knowledge of the characteristics of derivatives is necessary to optimally use them in any portfolio or strategy.

Contents of the course are as follows:

Introduction to Futures

- Different types and characteristics
- Description of the marketplace for options

Introduction to options

- Different types and characteristics
- Description of the marketplace for options

Comparison of options and warrants

- When do warrants add value
- Impact of differences in market structure
- Hedging of Warrants

Directional options strategies

- Outright positions of different 'moneyness'
- Straddles, strangles, spreads and butterflies
- Time Spreads

Options as a risk management tool

- Covered call strategy
- Protective put strategy
- Black swans

The concept of Implied Volatility

- Supply and demand of volatility
- Implied vs Realized Volatility
- Volatility as an asset class

Literature

- J.M. Hull ; Options, Futures and other Derivatives
- S. Natenberg; Option Volatility & Pricing: Advanced Trading Strategies and Techniques
- TPE course syllabus

Who should attend?

- Day traders
- Students
- Trainee Traders and those aspiring a career in finance
- Asset managers and private bankers
- Exchange staff and regulators

All courses will include the use of professional trading and analysis software. The hands-on training environment will allow the participant to experience a real-time trading environment on our virtual exchange. This enables the inclusion of Trading Games (either click trading, position management or running your own algorithm) into the course curriculum.