

Derivatives Trading and Market Making (advanced)

Whether it is directional or high frequency, the key to successful options trading is managing the various derivative expects of options (the 'Greeks'). This enables traders to optimize strategies, proactively control risk and identify relative mispricings in the options market.

Contents of the course are as follows:

Recap of options theory and the 'Greeks'

- Put Call Parity and Binomial pricing methods
- Delta, Gamma, Theta, Vega, Rho and secondary effects

Application of the Greeks in practice

- Delta and Gamma hedging
- Gamma / Theta relationship
- Implied vs Realized volatility and the Greeks
- Managing your portfolio Greeks in real-time

Options Market Making

- Relations between different options
- Inventory based pricing
- Managing a Market Making book in real-time

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?

- Trainee traders and those aspiring a career in finance
- Risk managers
- Proprietary traders

Entry requirement

Introduction to Derivatives Trading (beginner)

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.