

July 7 – 11, 2020
(Online course duration 15 hours)

Online Training Programme on Options and Structured Products

(Focus: Structuring, Trading and Risk Management)

Coordinators

Dr Kedar nath Mukherjee

Dr Tasneem Chherawala

(Faculty Members, NIBM)



**National Institute of
Bank Management
Pune, India**

Programme Background

Fluctuations in interest rates and exchange rates expose corporates and financial institutions to varying degrees of financial risks in their own business. They also give rise to opportunities for profitable trading. A wide range of financial derivative products, starting from vanilla options to exotic options to structured products can be used to either hedge financial risks or earn trading income. The treasuries of banks and financial institutions can enhance their non-interest income sources by offering tailor-made products like cost-reduction/zero-cost structures to their corporate clients for cost-effective risk reduction. Using option combinations, treasuries can also implement trading strategies which are customized to specific directional and volatility based views. The use of such products has seen an increasing trend in many emerging markets including India. As a result, several banks and financial institutions have started options desks and are strengthening the same in order to cater to the growing needs of clients or creating their own trading positions. The uncertain global economic conditions triggered by the Covid 19 pandemic are likely to increase financial market volatilities and justify wider applications of options and structured products for trading and risk management.

Successful options desks require specialized knowledge of structuring, pricing, and risk management requirements. This 5-Days (15 Hours) online training programme intends to cover all these important aspects for both interest rate and currency options (vanilla and exotic structures).

Learning Outcome

At the end of the programme, participants are expected to be conversant and confident about:

- (i) Identifying the risk-reward characteristics of various options-based structures
- (ii) Pricing and valuation methods for vanilla options and structures
- (iii) Understanding hedging applications and hedge effectiveness
- (iv) Offering appropriate structures to non-banking customers
- (v) Using options based structures for efficient trading
- (vi) Managing Risk in Options positions / portfolio

Programme Content

- ❑ Basics of Options and Structured Products
 - ❖ Vanilla Options
 - ❖ Option Combinations like Synthetic Forwards, Bull and Bear Spreads, Butterfly, Seagull, Straddles and Strangles
 - ❖ Exotics like Barrier Options, Asian Options, and Digitals etc.
 - ❖ Cost Reduction and Zero Cost Structures; Option based structures for debt
- ❑ Option Valuation and Hedging
 - ❖ Option Pricing Techniques Black Scholes, Garman-Kolhagen and Binomial Method
 - ❖ Option Hedging using Greeks Delta, Gamma and Vega Sensitivities
 - ❖ Managing the Delta Book
- ❑ Trading Strategies using Options
- ❑ Marketing Products to Corporate Clients
 - ❖ Understanding Hedging Needs of Corporate Clients, Exporters and Importers
 - ❖ Designing and Offering Suitable Structures to Corporate Clients

Training Pedagogy

The entire training programme will be conducted through online mode. The online delivery is designed in such a way that the programme participants will get most of the benefits of classroom training plus the additional benefits and flexibilities of online classes.

The training pedagogy proposed to be followed here includes online classes (Video Lectures), focusing on class presentations and interactions, case analysis, Excel based Hands-on sessions through screen sharing, etc. All participants will be provided with advance reading materials (soft copies) before the training starts. All quantitative models and analysis will be discussed in a lucid manner so as to make the programme content equally relevant for participants with varying technical backgrounds. Besides the NIBM Faculty members, a pool of Senior and Top-level Industry Experts having rich experience in the concerned fields will be involved to augment the learning experience of the participants.

Participant Profile

- Options (Interest Rate and Currency) Traders/Dealers in Treasury of Banks and other FIs
- Corporate Treasurers
- Exporters/Importers expecting to hedge FX Risk
- Financial Control and Risk Management Personnel
- Fund Managers, Private Bankers and Investment Advisors
- Derivative Systems Developers
- Regulators (RBI, SEBI)

Programme Dates

The Online programme will be open to the participants over a period of 5 days (July 7 - 11, 2020).

Training Modalities

This online course will have 15 hours of engagement time, spread over a maximum of 5 days, which includes several self-paced study and live interactions of participants. The courseware will include the following:

- I. Online Reading Materials for self-study (Teaching Notes, PPTs, other Reference Materials, Excel Sheets, etc., to be provided to all the registered participants in advance)
- II. Online Video sessions comprising of:
 - i. Pre-recorded Video Sessions (covering major topics)
 - ii. Interactive Video Sessions (for discussions, clarification of doubt, etc.)
- III. Self-assessment to track progress in the course

Participants enrolled to the programme will be provided with log-in id and password to enter into the learning platform of the institute. Guidance will be provided for navigating through the various activities in the platform such as accessing courseware, viewing video sessions, participating in live sessions, taking quizzes, etc. The programme window will be open for maximum 5 days from date of commencement. Schedule for live session will be provided at the start of the programme. Executives attending the programme would need internet access on a desktop or laptop with Google Chrome to enable access to live and recorded sessions. Participants are also expected to be conversant with MS-Excel for solving Cases, Numerical and practical Hands-on.

Nominations and Enquiries

Nominations are invited from both Institutions and Individuals from India and Abroad. Executives working in Banks/Financial Institution/ Consulting Firms/ Technology Firms in the Banking and Financial Services Domain can apply for the program in their individual capacity.

Please address your enquiries and nominations to:

Dr Kedar nath Mukherjee
Dr Tasneem Chherawala
Programme Coordinators
National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd
Pune 411 048 India

Tel : 0091-20-26716000 (EPABX)
E-mail : kedar@nibmindia.org, kedar.nibm@gmail.com;
tasneem@nibmindia.org
Web : www.nibmindia.org

Last Date for Receiving Nominations: July 4, 2020

Programme Fee (per participant) for 15 hours programme

US \$ 600 for foreign participant

	Fee	GST	Fee+GST	TDS
Member Banks :	13200	2376	15576	1320
Non-Member Banks :	15500	2790	18290	1550
Individual Nominee :	15500	2790	18290	----

The fee includes the cost of tuition, access to reading material and recorded videos, etc. (Central Goods and Services Tax (GST) @ 18%, and TDS @ 10%. Kindly send the TDS Certificate on priority to NIBM).

Mode of Payment for Indian Participants

- The fee may preferably be transferred by RTGS/NEFT/ECS to our A/c No. 20002400021 with Bank of Maharashtra, NIBM Branch, Pune (IFSC Code MAHB0001124). NIBM PAN No. AAATN0040P and GSTIN No. 27AAATN0040P1ZJ.
- National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

Mode of Payment for Foreign Participants

Mode of Remittance: SWIFT*

1. Name & Address of our Bankers : Oriental Bank of Commerce
C-2, Shop No. 4-5, Bramha Estate
Kondhwe Khurd, Pune 411 048
Maharashtra, India
2. Name of the Account : National Institute of Bank Management
3. NIBM's Bank Account No. : Current A/C 11281131004402
with Oriental Bank of Commerce
4. Bank's Swift Code : ORBCINBBFCP
5. Oriental Bank of Commerce A/c No. : 36152559
with Correspondent Bank
6. Preferred currency : USD
7. Correspondent Bank : CITIBANK N.A.
8. Swift code for Citi Bank : CITIUS33

*** The Foreign Bank Charges/ SWIFT charges/Commission is to be borne by the remitter. The fees mentioned in the invoice/brochure is to be paid to NIBM, net of all bank charges.**

***Payments will be accepted only through electronic mode.
Cheques/DDs/Pay Orders will not be accepted.**

- For all electronic remittances, kindly send a confirmatory e-mail at: accounts@nibmindia.org giving details of the remitter and participant, name and dates of programme, etc.