

Dates: 25th, 26th September, 2004

Venue: Taj Lands End, Mumbai

Workshop Leader: Andrew Doyle

FX and Interest Rate Options Products, Issues & Risk Management

Avail an early bird discount of 10% on registrations before 11th September, 2004!

Split Nominations Accepted -
On registering for the complete two day package, companies can send separate delegate registrations.

Dear Reader,

Options could be the new mantra for the Derivative desk of Banks and financial Institutions. Options, for many are an intimidating instrument with complex mathematics and a lot of jargon but offer the potential for highly profitable returns.

In today's fast paced and complex markets, everyone is required to have knowledge of options and their application. This 2 day advanced programme that will be held on 24th and 25th of September 2004 is designed as a comprehensive guide to the trading, sales and use of options in Money and Currency markets, providing both the theoretical and practical applications

This program has been designed with extensive research done with leading Banks and Mutual Funds in India. The Workshop Leader for this unique 2day-training program will be Mr. Andrew Doyle, He has been credited as "one of the pioneers of the derivatives market in India", with over 20 years of international trading experience in Asia and Australia, he still remains active in the areas of currency, interest rates, equity, credit and derivative trading and marketing as well as operational and technological support providing advice to governments, banks and corporations.

After going through the program details, we strongly believe that you will not miss out on this one-of-a-kind training event.

Yours truly,
Prasanna Arumugam



Head of operations
Asia Knowledge Associates

TESTIMONIALS:

National Stock Exchange

"I found the 3 day workshop on "Interest Rate Risk Management and Interest Rate Derivatives" organized by Asia Knowledge Associates very enriching and should say that you are an effective presenter. I look forward for such educational workshop in future"

Bombay Stock Exchange

I really enjoyed it and definitely it was a very good learning experience. The insights from this programme would definitely help me in doing my work more effectively and efficiently

MSPL

The programme on interest rate derivatives was extremely useful and the presentation was very lucid and thought provoking.

UCO Bank

"I have also to add that the programme conducted by you was not only very good but highly useful as it indeed imparted a skill set that can be readily used."

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Introduction

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This 2 day advanced programme is designed as a comprehensive guide to the trading, sales and use of options in Money and Currency markets, providing both the theoretical and practical applications

Level: Advanced

Who Should Attend

- Derivative traders & derivative sales personnel
- Corporate Bankers
- Financial engineers
- Risk Managers
- Fund and portfolio managers
- Treasury and capital market managers
- Derivative end users in Corporates
- Investment Managers
- Internal & External Auditors
- Financial Market Regulators
- Middle & Back Office Managers for Derivatives

Pre-Requisites:

A thorough knowledge of interest rates, fixed income securities, currencies and the principles of Derivatives. Delegates are requested to bring a Financial Calculator to this course and have a basic understanding of how to use its functions.

Who should attend:

Delegates should have a minimum 12 months of Treasury/Capital Markets experience and be familiar with 'cash' tools.

Course Outline

Module 1: Introduction to Options

- Basic Terminology
- Option Types & Styles
- ETO Vs. OTC
- Moneyness
- Price Determinant Variables
- Put-Call parity relationship
- Covered write
- Equity as an option
- Factors Affecting Option Prices
- Users of Options

Module 2: Understanding the Greek terminology

- Delta (Δ)
- Gamma (Γ)
- Theta (θ)
- Vega (Λ)
- Rho (ρ)

Exercise: Basic option trading strategies - pay-off profiles

Delegates will analyse the potential profit, loss and risk from simple one dimensional option trading strategies

Module 3: Multi-dimensional strategies

- Straddle
- Strangle
- Butterfly
- Condor
- Bull Spread
- Bear Spread
- Collar
- Ratio Spread
- Christmas Tree / Ladder
- Kangaroo / Seagull

Exercise: Multi dimensional option trading strategies - pay-off profiles

Delegates will analyse the pay-off profiles from multi-dimensional option trading strategies

Module 4: Volatility

- How it affects the option price
- Estimation
- Types
- Implied vs. actual
- Relationship to hedge ratios and time decay

Case Study/Game: Volatility Pricing

Delegates will form 'trading banks' which price a series of interest rate options. The banks will trade with each other in an attempt to identify any weaknesses in pricing models of the other parties.

Module 5: Option Models

- Black-Scholes model
- Understanding the theory
- Faults
- CRR Binomial Model
- Monte Carlo Simulations

Module 6: Portfolio Management

- Analysing the Risk
- Strategy for Management
- Volatility Trading
- Portfolio Modelling

Case Study/Game: Managing Option Portfolios - Part 1 (trading strategies)

Delegates will determine and implement a hedging strategy for an options portfolio

Module 7: Risk Management of Option Traders - A management perspective

- Setting Limits
- Use of VAR and other risk management tools
- Statistics/risk ratios what they are/aren't telling
- Barings & options - lessons to be learnt
- Portfolio Modelling

Case Study/Game: Managing Option Portfolios - Part 2 (risk management)

Delegates will analyse a portfolio of options and will report to management on the current and potential risks of the portfolio

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Module 8: Forward & Future Pricing

- Forward pricing
- Replication of forwards using options

Exercise: Pricing forwards and options

Delegates will price forwards and will use those to analyse the risk in a series of options

Module 9: OTCs

- Pricing differences
- Credit considerations
- Advantages/disadvantages over ETOs

Module 10: Foreign Exchange Options

- FX Options
- OTC
- ETO
- Modelling
- Garman-Kohlhagen Model
- Risk Management

Module 11: Interest Rate Options

- FRAPtion (Interest Rate Guarantee)
- Caps, Floors & Collars
- Bond Options
- Pull-toPar
- Weakness of 'Normality'
- Swaptions
- Pricing
- Managing the Risk
- Digital Caps
- Yield vs. Price Volatility
- Put-Call Parity

Case Study: Cap Floor Pricing

Delegates Will Calculate The Price Of Various Caps, Floors And Collar Structures Using intuitive valuation.

Module 12: Computerised Option Modelling

- Using computerised option models
- Risks of computerised models

Module 13: Exotic Options

- What are they
- Types of Exotics
- Uses
- Risks & Hedging Techniques

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Speaker Profile

Andrew has over 20 years of international trading experience in Asia and Australia. He is Managing Director of FRA Consulting, a company who provides training and consulting services to the international financial services industry. Andrew is currently based in Singapore and has extensive experience in India, being "one of the pioneers of the derivatives market in India". He remains active in the areas of currency, interest rates, equity, credit and derivative trading and marketing as well as operational and technological support providing advice to governments, banks and corporations.



His previous experience includes being Regional Marketer for Derivatives at ABN AMRO Bank in Singapore. His responsibilities included structuring and pricing complex derivative risk management solutions for bank, corporate and government customers as well as training & new product development. These products covered the entire scope of the bank's suite including Spot & Forward Currency & Money Markets, Non Deliverable Forwards (NDFs) Fixed Income, Forward Rate Agreements, Convertible Bonds, Asset & Liability Swaps, Interest Rate and Cross Currency Swaps, Interest Rate & Currency Options, Equity & Fixed Income Derivatives and Exotic Options. He was the driving force behind the bank's development of swap trading books in New Taiwan Dollars & Indian Rupee and was a pioneer in the development of the derivatives markets in both countries.

Before joining ABN AMRO, Andrew was the Manager for Australian and New Zealand Dollar Bond Options at BZW, Sydney. His responsibilities included price making, risk management and strategic marketing of Australian and New Zealand Bond options globally. During his time there, he grew the business of BZW to be both the largest Bond option business in Australia as well as the largest within the Barclays group.

Andrew began his professional career at the State Bank of New South Wales (now part of the Commonwealth Bank of Australia) as a Treasury Manager in Interest Rate Options and Foreign Exchange where he gained broad experience in Foreign Exchange, Interest Rate markets. He also has extensive trading experience in FX, Interest Rate, Equity and Commodity Markets.

Andrew has been a member of the Australian Financial Markets Association (AFMA) OTC Interest Rate Options Market Committee.

Andrew has conducted seminars in Australia, Hong Kong, India, Indonesia, Japan, Malaysia, The Philippines, Singapore, South Africa, South Korea, Thailand, Taiwan and Vietnam. His courses cover all aspects of banking, risk management and treasury & capital market products including option & other derivative pricing, valuation, risk management and trading strategies.

Andrew has conducted training programmes for organisations including Monetary Authority of Singapore (MAS), Securities Commission (Malaysia), Bangko Sentral ng Pilipinas (BSP), The Ratings Agency of Malaysia, the Malaysian Derivatives Exchange, Indonesian Banking Reconstruction Agency (BPPN), Development Bank of Southern Africa, Asia-Pacific Economic Cooperation (APEC), Citibank, CIMB, DBS Bank, Deutsche Bank, HSBC, Standard Chartered Bank and JPMorgan.

He remains an active option trader for his own account as well as managing his own multi-currency portfolio.

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Delegate Registration Form

Delegate Information

Name: _____

Designation: _____

Direct Phone / Extn: _____

Email: _____

Name: _____

Designation: _____

Direct Phone / Extn: _____

Email: _____

Name: _____

Designation: _____

Direct Phone / Extn: _____

Email: _____

For more delegates, please send delegate information on another page

Company: _____

Address: _____

Authorized by / Billing Information:

Signatory must be authorized to sign on behalf of contracting organization

Name: _____

Designation: _____

Phone: _____

Fax: _____

Email: _____

Your Signature & Company Seal

This booking is invalid without a signature.

Date: _____

Delegate fees is to reach us
within 7 days of contract date

Completed contracts can be faxed or e-mailed

Fax: +91-22-26319376

Email: reg@asiaknow.com

Please make cheques / DDs payable in favour of:

"Asia Knowledge Associates"

and send to:

Suite 20, Mayfair, Raviraj-Oberoi Complex,

Off New Link Road, Andheri West,

Mumbai 400053 INDIA

Phone: 91 (22) 30951667 / 8

Avail 10% discount before 11th September, 2004

Investment for both days:

- 1 Delegate: 29,900/- INR
- 2 Delegates: 27,900/- INR
- 3 Delegates: 24,900/- INR

Split Nominations accepted.

Terms & Conditions:

1. Confirmation: Telephone bookings are provisional until written confirmation is received, either by fax with credit card details or by post with a cheque. Alternatively an invoice can be sent out in which payment must be made within 5 working days of booking.
2. Payment: All payments must be received within 5 working days of booking. Failure to pay within this time may result in the course palce being cancelled subject to the cancellation terms below.
3. Cancellations: Cancellations must be received in writing and subject to the following charges: cancellations received more than 2 weeks prior to the date of the course will be charged at 50% of the booking cost. Cancellations received within 2 weeks of the course date will be charged at 100% of the booking cost.
4. Substitutions: Deligates substitutions are welcome at any time and do not incur any charge. Please fax or mail your changes to us.
5. Transfers: Transfers to alternative events or dates may also be subject to changes. Transfers received before 2 weeks prior to the course date will not be charged. Transfers received within 2 weeks of the course date will be subject to 50% of the initial booking cost. A credit note will be issued for the remaining 50%.
6. Alterations to the advertising course: We put the greatest care and effort to ensure solidity of the program schedule. AsiaKnowledge will not be responsible for covering airfare, hotel or any other cost incurred by the registrants. In the event that AsiaKnowledge cancels the course, AsiaKnowledge reserves the right to transfer the booking to another course to be held in the folloeing 12 months or to provide a credit note of an equivalent amount to another course within the following 12 months.
7. Liability: By completing this registration form the client hereby agrees that AsiaKnowledge will not be able to mitigate its losses for any less than 50% of the total booking cost.
8. Once signed and returned by e-mail, mail, or fax, this form is regarded thereafter as a firm contract.