

Fixed Income Derivatives

Course in Copenhagen

Day 1

09.00 Welcome and Introduction

09.15 1. Introduction to Derivatives Trading and Hedging

- Market places
- The steps in the trading and hedging process
- Trading and hedging strategies - an overview

10.15 2. Bond Futures

- A general description
- The cost-of-carry approach for pricing bond futures
- Defining and using the implied repo rate
- Trading strategies
 - Speculation, hedging, spread trading
- Case: Bund Futures
 - The Cheapest-to-Deliver (CTD) principle

12.00 Lunch

13.00 3. Bond Repos

- Product description and market conventions
- Special vs. general collateral
- Trading strategies: funding, speculation, arbitrage

14.15 4. Bond Options

- A general description
- Components for bond option pricing
- Trading strategies
 - Time value, volatility, hedging, the Greeks
- Case: Bund Options

16.00 End of Day 1

Day 2

09.00 Recap

09.30 5. Interest Rate Swaps

- Product description
- Market conventions
- Use of swaps
- Pricing interest rate swaps in a new market setup
- Swap risk measures
 - Dollar duration, delta vectors
- Other swap products
 - Cross Currency Swaps
 - Forward Starting Swaps
 - Asset Swaps
 - OIS-swaps
 - Amortising Swaps

12.00 Lunch

13.00 5. Interest Rate Swaps, continued

14.00 6. Interest Rate Options

- Formatting
- Interest Rate Guarantees (IRG's)
- Caps, Floors, Collars
- Pricing interest rate options
- Trading and hedging strategies
- Swaptions
 - Definitions
 - Variations
 - Pricing swaptions
 - Swaption Greeks
 - Trading strategies

16.00 End of Course and Evaluation

Price

The price of the course is DKK 13.500 ex VAT. The price covers course material, lunch and refreshments.

