

Financial Futures



Training for Life in the Financial Markets

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1 Day Training Course

Agenda

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Introduction

Derivatives markets serve an essential function in the economic growth of economies and the efficient operation of industries and companies.

- Derivatives are contracts based on the future value of an underlying physical or financial asset: crude oil, natural gas, cotton, currency, stock indexes - even credit.
- Derivatives transactions enable price discovery, which is vital for informing current decisions about future consumption, investment and resource allocation.
- Derivatives also provide a critical risk management function by allowing anyone with price exposure to an underlying asset to hedge risk.

Derivatives trade in two types of markets: exchange-traded futures markets and over-the-counter (OTC) markets.

- Futures markets offer highly liquid and standardized contracts to large and small market participants alike.
- OTC transactions generally take place between commercial market participants, financial institutions and other large-scale investors, and typically involve swaps - the exchange of a fixed price for a floating price.
- All futures transactions and many OTC transactions are cleared by a central counterparty known as a clearing house, which serves as the buyer to every seller and the seller to every buyer.

Without market participants willing to take on the risk that others wish to lay off, businesses would be forced to raise prices to compensate for price risk they are unable to manage effectively.

- Markets require robust participation and rely on a mix of commercial participants and liquidity providers - sometimes referred to as financial participants, market makers or speculators - for efficient price discovery.
- Markets cannot function, and hedging cannot take place, without the active participation of both groups.
- It is the presence of many market participants expressing their views on prices that allows hedging and risk management to take place.

Our Aim, in a day, is to introduce the participant to these markets and address the following questions:

For information regarding above mentioned training you can contact: *tflonline Limited*, tel. +44 (0) 1732 357076 or send e-mail to Alan Penhallow:

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Aims of the Course

- **What** events shaped the Market History & Development.
- **What** are the core standardised trade types
- **Where** are the Trade Risks & Contract Economics.
- **When** do the Market Participants perform their Roles
- **How** are the products used in Strategies.
- **Why** controls are essential in the Operational process.
- **Why** the need for Utilities serving the Market.
- **Who** supply the Systems in the Market.
- **Who** are driving future market developments.

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- **Market History and Development of the Markets and Exchanges:**
 - The contracts-What are they?
 - The attributes, STIR, Bonds, Currency and Commodity
 - Initial and variation margin
 - Unit, delivery month, last trading, notice quotation, tick, trading hours
 - Fair value, Price factors, underlying to contracts
 - Options on futures
 - Role of exchanges and clearing houses
 - Regulation, Compliance, Risk and Controls
- **Trade Risks & Contract Economics:**
 - Interest Rate-Short Term and Bonds
 - Equities-Single Stock and Indices
 - Credit Spread Contracts
 - Commodities
- **Understanding Strategies Employed:**
 - How they are used and the strategies
 - The different counterparties using the products
 - Examining the performance and risks
- **Operational Processes:**
 - How trading and margin management occurs
 - Clearing and Settlement
 - Risk control, Reporting and Accounting

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Who Should Attend

Ideal participants are those new to the subject matter, or needing a full refresher. This course would also be perfect for people in projects and needing to step back and walk through the building blocks and overview of the markets products and processes.

Approach

Each topic will be expanded and explained to the delegates in a structured manner, developing their knowledge through diagrams, 'live' drawings and on-the-spot explanations. Active participation of the delegates will be encouraged, and exercises will be introduced at frequent and appropriate points.

Duration

In its 'off-the-shelf' form, this is a 1-day course. However, the course duration and content can be tailored to suit specific requirements.

Trainer Profiles

Allen Cope [read more](#)

John O'Neill [read more](#)

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