

Advanced Financial Derivatives

Global derivatives markets have permanently changed the world of finance. In addition to basic financial derivatives, some institutions routinely use more complex derivative instruments. Their advantage is seen in improved adaptability to the needs and desires of specific users. Similar to the instruments themselves however, the risks involved are also more subtle and complex.

Course Contents

- Currency derivatives
 - currency futures and options
 - option combinations
 - volatility and volatility trading
 - option sensitivities (Greeks)
 - delta hedging
- Interest rate derivatives
 - interest rate swaps: valuation, cases of trading and hedging
 - advanced swaps
- Cross currency swap
- Equity index futures and hedging strategies
- Interest rate options
- Exotic options
- Structured products
- Basics of credit derivatives



Course Director: Jernej Doles
Date: 23-24 October 2018
Venue: Budapest, Danubius Grand Hotel Margitsziget



Course Objectives

The purpose of this intensive workshop is to provide participants a sound and practical understanding of the mechanics, pricing and applications of more advanced derivative instruments. We will start with currency derivatives, where option combinations, different strategies, volatilities and delta hedging will be discussed in more detail. We will proceed with a discussion about interest rate derivatives. We will explain the mechanics of plain vanilla interest rate swaps and give examples of swap cash flows and valuation. A range of advanced swaps will also be discussed. Finally, options and exotic options, structured products and basics of credit derivatives will be explained. The course will increase skills and various applications of derivative instruments, and teach participants how to tailor effective hedging strategies.

Day 1

Tuesday, 23 October 2018

9.00–10.30	Welcome Why advanced financial derivatives at all? Currency derivatives Currency futures
10.30–10.45	Coffee break
10.45–12.30	Currency option and option combinations <ul style="list-style-type: none"> • Range forward • Forward plus strategies Volatility and volatility trading Option sensitivities (Greeks) and their use Delta hedging
12.30–13.30	Lunch break
13.30–15.00	Interest rate derivatives Interest rate swaps: <ul style="list-style-type: none"> • valuation, cases of trading and hedging
15.00–15.15	Coffee break
15.15–16.45	Advanced swaps <ul style="list-style-type: none"> • Cancelable swap • Participating swap • Performance swap • Step-up swap • Delayed swap • Quanto swap • Basis swap
17.00	End of the first day of the Workshop

Day 2

Wednesday, 24 October 2018

9.00–10.30	Equity index futures strategies Hedging strategies with index futures Interest rate options <ul style="list-style-type: none"> • Zero cost collar • Barrier cap • Participating collar • Swaption
10.30–10.45	Coffee break
10.45–12.30	Exotic options <ul style="list-style-type: none"> • Barrier option • Lookback option • Asian option • Binary option • Chooser option
12.30–13.30	Lunch break
13.30–15.00	Structured products Basics of credit derivatives
15.00	End of the second day of the Workshop

Biography



Jernej Doles is the founder and managing director of Omega Finance. He was formerly general manager and chief dealer in the financial

markets department at NLB d.d. He was responsible for all of the bank's trading activities, including on the FX, money market, fixed income, derivatives, and customer desks.

He began his career at NLB at the beginning of 1990s as a trader in the financial markets.

He traded on the FX, money market, and corporate desks, and he was involved in portfolio management. In October 1997, he became head of the derivatives department, responsible for managing the derivatives desk. This provided him with a unique insight into the trading, marketing, and valuation of different derivative instruments. He was responsible for introducing new derivative instruments at the bank.

Through trading different financial instruments, he also gained a great deal of practical experiences with financial risks. Mr. Doles has many years of experience teaching and consulting on financial topics, such as derivatives, hedging portfolios, fixed income, equities, and risk management. He has held courses at different educational institutions in Europe.

For further information about Jernej Doles, please visit our website at <http://goo.gl/QCztRG>

Teaching Methods

The workshop comprises discussions, short problems and exercises, and short cases. Practical examples will be even more in-depth, and suitable for those who often trade or use derivatives to hedge their positions. Overall, the programme aims to impart a detailed and practical understanding of a range of complex FX and interest rate derivative instruments in such a manner that the knowledge gained can be immediately applied in the context of trading, structuring and pricing, and risk management. We

will explore and apply the different strategies, techniques and methods commonly employed by the industry. Participants will gain working knowledge of the use of different derivative instruments for hedging and trading. Sophisticated mathematics is not a prerequisite. However, participants should be familiar with financial products and basic financial mathematics. Due to the use of practical examples and exercises, participants require a financial calculator (HP 17B or similar).

Who should attend?

The course will be of value to professionals in the following areas:

- derivatives traders
- risk managers
- asset and liability managers
- treasurers and corporate treasurers
- middle office and back office personnel
- accountants and risk management
- finance professionals at corporations
- portfolio managers

Summary of the Workshop

Before the financial crisis, many investors came on the financial markets and were able to use a wide and increasingly complex range of financial instruments and services. They had a big appetite for returns and risks. Most of these investors, both individuals and firms, sought quick earnings above all. They paid little attention to the advantages and disadvantages of each instrument and even less attention to the risks incorporated in these instruments.

The second-generation derivatives did not come out overnight with the intent to deceive unknowledgeable investors. They were generated over long-term periods of trials and adjustments, by searching for optimal solutions for a variety of problems and issues that modern businesses and banks possess.

Sophisticated instruments were created in an attempt to help end users, and not with the intention to cause financial damage to the less knowledgeable partner as it has been widely communicated lately.

It is reckless to say that all these complex instruments, techniques, and infrastructure will disappear as a result of the current financial crisis. However, the fact is that they will be more efficiently and wisely used in the future.

For that reason, a good understanding of a variety of derivative instruments is crucial. We need to know them in detail to be able to put them to proper use. During the workshop, we will, for example, discuss seven different advanced interest rates swaps: Cancelable Swap, Participating Swap, Performance Swap, Step-up Swap, Delayed Swap, Quanto Swap, and Basis Swap. They vary only in small details from plain vanilla IRS, but, on the other hand, they represent a lot of added value for the one who understands them and uses them correctly to hedge specific exposures.

The same applies to a number of different interest rate options and even more to exotic options, which will be discussed in detail during the workshop.



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Course Director: Jernej Doles

Registration form

Yes, please register me for **Advanced Financial Derivatives**, on 23-24 October 2018, in Budapest.

Personal details

First name and surname: _____

Position or Department: _____

Company: _____

Address: _____

VAT number and Billing Address if different than Company Address: _____

Postal code and city: _____

Email: _____

Telephone: _____

Signature _____ Date _____

Fee: 490 EUR

Omega Finance d.o.o. is not subject to VAT tax.

The workshop is held in the English language.

Fee includes tuition, full course documentation, lunches, refreshments for the duration of the programme, and a course certificate.

Participants are responsible for their own accommodation.

*We recommend that you book your room in Danubius Grand Hotel Margitsziget, Budapest.

Online workshop registration is available at

www.omegafinance.si/blog/shop/budapest/advanced-financial-derivatives/

Registration will be accepted until 5 October 2018.

An invoice will be sent upon receipt of the registration form. Please note that payments must be received prior to the start of the course.

Sponsor details

I wish to register the delegate indicated in the personal details section opposite

First name and surname: _____

Position or Department: _____

Signature _____ Date _____

Omega Finance, izobraževanje in svetovanje, d.o.o., Mivka 28, SI-1000 Ljubljana, Slovenija



Customer information

Fee includes tuition, full course documentation, lunches, refreshments for the duration of the programme, and a course certificate. Delegates are responsible for their own accommodations. An invoice will be sent upon receipt of the registration form. Please note that payments must be received prior to the start of the course.

Data protection

The information you provide, on this form or during the course, will be safeguarded by Omega Finance and may be used to keep you informed of our products and services, including our future courses.

Disclaimer

Omega Finance, d.o.o. reserves the right to change or cancel any part of its published programme due to unforeseen circumstances. In the case of an insufficient or excessive number of participants, Omega Finance reserves the right to change the location of the seminar. Any changes must be announced at least three days before the start of the seminar.

Group booking discounts

- 2 delegates – 440 EUR per delegate
- 3 or more delegates – 390 EUR per delegate

VAT

Omega Finance d.o.o. is not subject to VAT tax.

Cancellation policy

A full refund will be given for cancellation requests received up to ten working days before the start of the event. Cancellation must be made in writing (letter, fax, email, or online registration) and reach the office before the ten working-day deadline. Delegates who cancel less than five days before the event, or who don't attend, are liable to pay the full course fee, and no refund will be given. However, if you wish to attend the next course, and you have paid your course in full, you will be invoiced for 10% of the new course fee. Please note that the next course must take place within six months of the initial application. Of course, a replacement is always welcome.