

PREFACE

Our continuing education series provides you with up-to-date information and practical tips to help enhance your role as a registered securities trading representative.

ENROLMENT

Each course in our programme will give you one training credit. The fee for each course is S\$100 (member) and S\$120 (non-member). Light refreshments will be provided.

The fee for the e-learning module is S\$120 (member) and S\$140 (non-member).

GST is applicable to the above fees.

To register for the programme, you may come personally to our office. Registration is open between Mon – Fri, from 9.00am to 5.00pm. Alternatively, registration forms can be retrieved on-line at our website: www.ibf.org.sg. Complete the Registration Form and mail it to The Institute of Banking and Finance.

Payment may be made by cash, NETS or cheque. Cheques should be made in favour of “The Institute of Banking and Finance”.

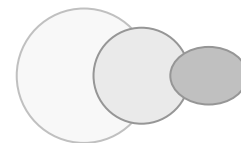
A letter confirming your enrolment will be sent to you within 10 days upon receipt of full payment and the duly completed Registration Form.

Note:

The Institute of Banking and Finance reserves the right to make changes to the dates, presenters and venue where appropriate.

CONTINUING EDUCATION TRAINING CALENDAR 2009

PREPARING FOR PERSONAL FINANCIAL ADVISORY



MANAGING PERSONAL WEALTH - A NEW PARADIGM

Date: 21 May 2009 / 17 Sep 2009 Time: 6.00pm – 9.00pm
Day: Thursday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: E.H Ang

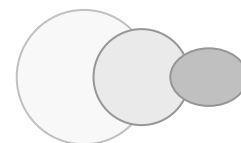
HOW TO PLAN FINANCIALLY FOR YOURSELF IN THE CURRENT FINANCIAL CRISIS

Date: 26 Feb 2009 / 5 Nov 2009 Time: 6.00pm – 9.00pm
Day: Thursday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: Christopher Tan

HOW TO PLAN TOWARDS A GRACIOUS RETIREMENT

Date: 23 Apr 2009 / 22 Oct 2009 Time: 6.00pm – 9.00pm
Day: Thursday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: Christopher Tan

ENHANCING KNOWLEDGE AND COMPETENCIES



PROFITABLE TRADING STRATEGIES USING CANDLESTICK CHARTS, TRADING VOLUME AND MOMENTUM INDICATORS

Date: 11 Mar 2009 / 7 Oct 2009 Time: 6.00pm – 9.00pm
Day: Wednesday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: Robert C.S Tay

STOCK VALUATION AND SELECTION – A WORKSHOP

Date: 24 Jun 2009
Day: Wednesday
Level: Intermediate
Time: 6.00pm – 9.00pm
Venue: FTSE Room, Capital Tower
Speaker: Robert C.S Tay

BASIC TECHNICAL ANALYSIS FOR STOCK TRANSACTION TIMING

Date: 8 Jul 2009
Day: Wednesday
Level: Intermediate
Time: 6.00pm – 9.00pm
Venue: FTSE Room, Capital Tower
Speaker: Robert C.S Tay

ADVANCED TECHNICAL ANALYSIS FOR STOCK TRANSACTION TIMING

Date: 5 Aug 2009
Day: Wednesday
Level: Advanced
Time: 6.00pm – 9.00pm
Venue: FTSE Room, Capital Tower
Speaker: Robert C.S Tay

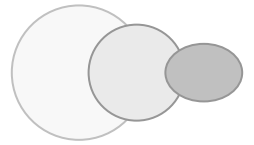
DIVERSIFY YOUR RISKS WITH ETFs

Date: 26 Mar 2009
Day: Thursday
Level: Intermediate
Time: 6.00pm – 9.00pm
Venue: FTSE Room, Capital Tower
Speaker: Tolmas Wong

A PRIMER TO RISK MANAGEMENT

Date: 19 Nov 2009
Day: Thursday
Level: Intermediate
Time: 6.00pm – 9.00pm
Venue: FTSE Room, Capital Tower
Speaker: Tolmas Wong

COMPLYING WITH REGULATORY REQUIREMENTS



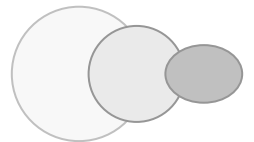
AN INTRODUCTION TO ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM IN SINGAPORE

Date: 9 Sep 2009 Time: 6.00pm – 9.00pm
Day: Wednesday Venue: FTSE Room, Capital Tower
Level: Basic Speaker: Chee Wei-Lin

AN UPDATE ON THE REGULATION OF ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM LAWS IN SINGAPORE

Date: 19 Aug 2009 Time: 6.00pm – 9.00pm
Day: Wednesday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: Chee Wei-Lin

E – LEARNING MODULES



COMMODITIES – OIL AND NATURAL GAS

Date: Ongoing Time: Anytime
Level: Basic Speaker: -

FOREIGN EXCHANGE – A MARKET OVERVIEW, ITS EVOLUTION AND A TYPICAL DAY IN FX DEALING

Date: Ongoing Time: Anytime
Level: Basic Speaker: -

EQUITY PROGRAMME TRADING, AN INTRODUCTION TO MONEY MARKETS AND RELATIVE VALUE TRADING

Date: Ongoing Time: Anytime
Level: Basic - Intermediate Speaker: -

CREDIT-LINKED NOTES AND AN OVERVIEW OF DERIVATIVES

Date: Ongoing Time: Anytime
Level: Basic - Intermediate Speaker: -

FORWARDS AND FUTURES – AN INTRODUCTION AND PRICING

Date: Ongoing Time: Anytime
Level: Basic - Intermediate Speaker: -

OPTIONS – AN INTRODUCTION TO VALUATION, FUTURE ASSET PRICES AND VOLATILITY

Date: Ongoing Time: Anytime
Level: Intermediate Speaker: -

TYPES OF EQUITY DERIVATIVES AND TRADING STRATEGIES FOR OPTIONS

Date: Ongoing Time: Anytime
Level: Intermediate Speaker: -

CAPS AND FLOORS (PRICING, CHOOSER AND DOUBLE STRIKE STRUCTURES)

Date: Ongoing Time: Anytime
Level: Advanced Speaker: -

MANAGING PERSONAL WEALTH - A NEW PARADIGM

Date: 21 May 2009 / 17 Sep 2009 Time: 6.00pm – 9.00pm
Day: Thursday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: E.H Ang

Preparing for Personal Financial Advisory

Programme Outline

Synopsis:

A) What was:

- Wealth management in the pre-Asian crisis (late 80s to late 90s)?
- Wealth management in the post-Asian crisis (late 90s to present)?

B) Lessons to be learnt

- Selected case studies

C) What the future portends for:

- The service providers
- The end customers
- The regulatory environment

D) Class Discussion

HOW TO PLAN FINANCIALLY FOR YOURSELF IN THE CURRENT FINANCIAL CRISIS

Date: 26 Feb 2009 / 5 Nov 2009 Time: 6.00pm – 9.00pm
Day: Thursday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: Christopher Tan

Preparing for Personal Financial Advisory

Programme Outline

Objectives:

They say that this is the worst financial crisis in our lifetime. Are there truths to it? They say that in every crisis lies an opportunity, but will that opportunity be present for me? How can I position myself financially so that not only will I be able to cope with the current crisis but also emerge stronger and achieve my financial goals?

Synopsis:

- Learning lessons from the crises
- What financial planning can you do to better cope with the crisis?
- How can you still reach your long term financial goals despite the current crisis?

HOW TO PLAN TOWARDS A GRACIOUS RETIREMENT

Date: 23 Apr 2009 / 22 Oct 2009 Time: 6.00pm – 9.00pm
Day: Thursday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: Christopher Tan

Preparing for Personal Financial Advisory

Programme Outline

Objectives:

All world leaders are concerned about the 2008 financial and credit crisis. However the day will come when we will all be hit with a big personal crisis - Our Retirement Timebomb.

Are you ready for your retirement? How can you plan for your retirement success beyond any crisis?

Synopsis:

- Understanding the need to plan
- Knowing what can cause your plan to fail
- Knowing how to fail proof your plan by having:
 - strong financial health
 - a risk management plan
 - an investment strategy
 - an estate plan
- Knowing how I can still achieve my retirement goals despite the current financial crisis
- Knowing how to choose an adviser if you need one

PROFITABLE TRADING STRATEGIES USING CANDLESTICK CHARTS, TRADING VOLUME AND MOMENTUM INDICATORS

Date: 11 Mar 2009 / 7 Oct 2009 Time: 6.00pm – 9.00pm
Day: Wednesday Venue: FTSE Room, Capital Tower
Level: Intermediate Speaker: Robert C.S Tay

Enhancing Knowledge and Competencies

Programme Outline

Objectives:

- Recognise the major reversal patterns of the Sakata Method of Candlestick Charting
- Describe the features of a recognition system with major buy and sell signals
- Recognise the confirmation of major reversal patterns using volume and open interest characteristics
- Use momentum indicators for confirmation to increase profit potential
- Identify and improve profit opportunities using coincident signals on the market, sector and stocks

Synopsis:

- Candlesticks, Candlestick Charts and Origins
- Candlestick parts: Body – Jittai, Upper wick – Uwakage, Lower wick – Shitakage
- Candle color: Black (Yin), White (Yang)
- One Candle Reversal, Two Candle Reversal and Three Candle Reversal
- Candle pattern and volume confirmation
- Candle pattern and momentum confirmation
- Candlestick patterns, coincident signals, the tide and the wave

STOCK VALUATION AND SELECTION – A WORKSHOP

Date:	24 Jun 2009	Time:	6.00pm – 9.00pm
Day:	Wednesday	Venue:	FTSE Room, Capital Tower
Level:	Intermediate	Speaker:	Robert C.S Tay

Enhancing Knowledge and Competencies

Programme Outline

Objectives:

- Identify the qualitative and quantitative features of a listed company as an investment opportunity
- Perform stock valuation and selection (hands-on experience) on stocks listed in the Singapore Stock Market
- Describe and explain the use of financial valuation ratios

Synopsis:

- Qualitative aspects of a company's business and the strengths and weaknesses of using Michael Porter's SWOT analysis
- Quantitative aspects of a company's business
- Key financial ratios for stock valuation
- Valuation ratios for the Income Method, the Earnings Method and the Asset Method
- The importance of Reserves, the Reserves to Issued Capital Ratio and how to use it
- Benjamin Graham's two cornerstones of Fundamental Analysis:
 - The Margin of Safety
 - The profit is made in the buying
- Price Focused (emotional) Investing versus Value Focused (intelligent) Investing
- An exercise in Stock Valuation and Stock Selection using the Income, Earnings and Asset Methodology

BASIC TECHNICAL ANALYSIS FOR STOCK TRANSACTION TIMING

Date:	8 Jul 2009	Time:	6.00pm – 9.00pm
Day:	Wednesday	Venue:	FTSE Room, Capital Tower
Level:	Intermediate	Speaker:	Robert C.S Tay

Enhancing Knowledge and Competencies

Programme Outline

Objectives:

- Acquire a strong foundation in Technical Analysis based on the Dow Theory
- Describe and explain trendline analysis and the concepts of resistance and support
- Describe and explain the use of trend following indicators and Moving Averages
- Recognise reversal and continuation price patterns with volume confirmation
- Recognise price reversal patterns for important buy and sell signals for stock transaction timing

Synopsis:

- The Dow Theory and the basis of Technical Analysis
- Applications of the Principles of the Dow Theory in the local stock market
- Types of Charting Techniques, Line Charts, Bar Charts and Candlestick Charts
- Trend Line Analysis, Resistance and Support Concept, Polarity of Resistance and Support
- Price Pattern Recognition, Reversal and Continuation Patterns
- Price Pattern Confirmation with volume
- The Moving Average Technique, buy and sell signals using Moving Average Crossovers
- Using two optimal Moving Averages – the Golden Cross and Dead Cross signals

ADVANCED TECHNICAL ANALYSIS FOR STOCK TRANSACTION TIMING

Date:	5 Aug 2009	Time:	6.00pm – 9.00pm
Day:	Wednesday	Venue:	FTSE Room, Capital Tower
Level:	Advanced	Speaker:	Robert C.S Tay

Enhancing Knowledge and Competencies

Programme Outline

Objectives:

- Conduct Technical Analysis for stock transaction timing
- Validate a price pattern breakout using volume confirmation
- Recognise reversal and continuation price patterns with volume confirmation
- Recognise price reversal patterns for important buy and sell signals for stock transaction timing
- Interpret and use advanced moving average techniques, the MACDI and the MACDI Histogram
- Use Wilder's Relative Strength Index to describe and explain the use of momentum
- Describe and explain the use of George Lane's Stochastics as a momentum indicator and as a Overbought / Oversold indicator
- Describe and use the Average Directional Index (ADX)

Synopsis:

- Price Pattern Analysis and Volume Confirmations
- The psychological significance of Volume
- Reversal and Continuation Patterns
- Advanced Moving Average Techniques
- Gerald Appel's Moving Average Convergence and Divergence Indicator (MACDI)
- How to interpret and use the MACDI Histogram
- Wilders Relative Strength Index (RSI)
- George Lanes Stochastics, the %K and %D crossover and the use of the hinge technique
- The Average Directional Index (ADX)

DIVERSIFY YOUR RISKS WITH ETFs

Date: 26 Mar 2009

Time: 6.00pm – 9.00pm

Day: Thursday

Venue: FTSE Room, Capital Tower

Level: Intermediate

Speaker: Tolmas Wong

Enhancing Knowledge and Competencies

Programme Outline

Synopsis:

- The ETF revolution
- How ETFs work?
- Key selling points
- Risk factors
- Discussion of selective ETFs on the US Exchanges
- Discussion of selective ETFs on SGX
- Managing your ETF portfolios
- Going forward.....

A PRIMER TO RISK MANAGEMENT

Date:	19 Nov 2009	Time:	6.00pm – 9.00pm
Day:	Thursday	Venue:	FTSE Room, Capital Tower
Level:	Intermediate	Speaker:	Tolmas Wong

Enhancing Knowledge and Competencies

Programme Outline

The seminar will discuss:

- The risk management process
- Sources of risk
- Managing Financial risks
- Managing non-financial risks
- Risk models & challenges

AN INTRODUCTION TO ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM IN SINGAPORE

Date: 9 Sep 2009
Day: Wednesday

Time: 6.00pm – 9.00pm
Venue: FTSE Room, Capital Tower

Level: Basic

Speaker: Chee Wei-Lin

Complying with Regulatory Requirements

Programme Outline

This is an introductory/refresher course on anti-money laundering and countering the financing of terrorism. It is designed for participants who wish to understand the nature and characteristics of money laundering and terrorist financing and the laws in Singapore against such practices.

Synopsis:

- What is money laundering?
- Brief history and background of money laundering
- The elements and processes of money laundering
- Characteristics of money laundering
- Laws against money laundering and terrorist financing in Singapore
- Brief overview of MAS Notice SFA04-N02 and MAS Guidelines on Prevention of Money Laundering and Countering the Financing of Terrorism
- Recent money laundering and terrorist financing methods and typologies
- What is terrorist financing and why counter the financing of terrorism?

AN UPDATE ON THE REGULATION OF ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM LAWS IN SINGAPORE

Date:	19 Aug 2009	Time:	6.00pm – 9.00pm
Day:	Wednesday	Venue:	FTSE Room, Capital Tower
Level:	Intermediate	Speaker:	Chee Wei-Lin

Complying with Regulatory Requirements

Programme Outline

This is an intermediate level course on recent developments in Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) laws and regulations in Singapore. This course examines recent methods of money laundering and terrorism and the laws against such practices. It will also include an update of recent legislative and regulatory changes governing AML/CFT laws in Singapore.

Participants of this course will be presumed to have a basic understanding of money laundering practices and current anti-money laundering laws.

This course will discuss:

- Modern methods of money laundering and terrorist financing processes
- Recent cases of money laundering and terrorist financing
- Updates on Singapore's legislative framework against money laundering and terrorist financing:
 - Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act; and
 - MAS (Anti-terrorism Measures) Regulations
- Current obligations and responsibilities under the MAS Notice SFA04-N02 MAS Guidelines on Prevention of Money Laundering and Countering the Financing of Terrorism
- Some important considerations under the MAS Notice and Guidelines :
 - Customer due diligence
 - Risk-based approach
 - Monitoring of accounts and transactions
 - Recognising and reporting suspicious transactions

COMMODITIES – OIL AND NATURAL GAS

Date: Ongoing
Level: Basic
Time: Anytime
Speaker: -

E – Learning

Programme Outline

Products derived from crude oil are varied; the most well-known is gasoline (petrol) while other products include heating oil, liquefied petroleum gas (LPG), naphtha, kerosene, gas oil and fuel oil. With so many applications for which there are few or no substitutes, crude oil is certainly the world's most important commodity. The faster economies grow, the greater their consumption of oil. This is why demand from developing countries such as China and India has risen dramatically in recent years. The price of crude oil is also highly sensitive to political developments, especially unrest in the Middle East.

Natural gas is the fastest growing primary energy source in the world. Its use in electricity generation has become increasingly important as it is a cleaner fuel. The natural gas market is mainly a localized one because gas is difficult to transport across borders.

This course outlines the main uses of crude oil, its derivatives products and describes how these are traded in the cash and derivatives markets. It also describes the fundamentals of the natural gas market as well as the trading processes and players involved in the market. In addition, the hedging of natural gas risk using derivative instruments is also explained.

Objectives:

- Describe the key features of crude oil and its by-products
- Explain the fundamentals of crude oil pricing and identify the various elements that affect the prices
- List the participants in the oil market
- Describe the process of hedging and trading in the crude oil market
- Describe the key features of natural gas and the participants in the natural gas market
- Explain how natural gas is traded in the spot and derivatives market
- Describe the process of hedging in the natural gas market

Prior to studying this course, you should have a basic knowledge of forwards, futures and options.

FOREIGN EXCHANGE – A MARKET OVERVIEW, ITS EVOLUTION AND A TYPICAL DAY IN FX DEALING

Date: Ongoing
Level: Basic
Time: Anytime
Speaker: -

E – Learning

Programme Outline

It is 7.30 a.m. and you are at your desk in the heart of the financial markets. A 10-hour day is ahead. Sometimes it will be quiet, but often the days will be filled with frantic activity. Computer screens surround you and there is a constant babble of voices. A constant stream of information is delivered to you. On an average day, the value of EUR/USD is estimated to change some 15,000 times. At peak times, prices on the screen can change 100 times per minute. Welcome to a foreign exchange and money markets dealing room.

The FX market is the most liquid capital market in the world, with daily volume figures of over USD 3 trillion according to the latest BIS survey. The sheer size of the FX market makes it one of the most exciting markets for trading. Currencies can be bought or sold round the clock. At all hours, a market is open for trading; banks and other institutions can exchange currencies, all day and night, with only minor gaps during the weekend. However, the FX market as we know it today has changed significantly over the years.

This course looks at concepts such as exchange rates, exchange rate systems, leading currency trading centres, pairs and a description of the participants in the FX market. It also looks back at various developments and how they have determined the exchange rate regimes of today. Key landmarks in the history of the FX market are described as well. There will also be a detailed analysis of the process that ultimately led to the introduction of the single European currency (the euro), the second most traded currency in the world today. Finally, the course will cover the world of the FX and money markets dealers and will examine in detail a typical day's activities, the computer systems used, the data needed, and the inter-relationships between spot dealers, forwards dealers, and sales dealers.

Objectives:

- Identify the major foreign exchange trading centers, the most actively traded currencies, and the different types of exchange rate system
- Identify the major participants in the FX market and recognize their roles
- Identify the major developments in the history of the foreign exchange market
- Outline the three stages in the evolution of the euro
- Describe a typical trading day for a spot, forwards and sales dealer

Prior to studying this course, you should have a basic knowledge of both spot and forward FX markets.

EQUITY PROGRAMME TRADING, AN INTRODUCTION TO MONEY MARKETS AND RELATIVE VALUE TRADING

Date: Ongoing Time: Anytime
Level: Basic - Intermediate Speaker: -

E – Learning

Programme Outline

The key purpose of the interbank deposit market – the money market – is to offset the payments system. When customers deposit money into their accounts, the bank will want a return on that money. To get that return, it will lend the money to other customers or banks using the short-term money market.

RV trading involves being neutral to moves up/down in the overall market, while taking advantage of price differentials between individual assets. It is an attempt to benefit from the relative prices of assets that are seen as being out of line.

A programme trade is a single transaction that involves the simultaneous execution of a number of securities. There are a variety of programme trading strategies, such as equity index arbitrage and algorithmic trading that are formulated for arbitrage purposes or rule-based buying / selling of stocks.

This course looks at the fundamentals of equity programme trading and popular programme trading strategies. It also looks at the methods used to fund short-term borrowing / lending requirements, participants in the money market and the main instruments available to them. In addition, RV trading is defined and differentiated from arbitrage and directional trading. Characteristics of the market players and the importance of leverage in RV trading are examined as well. Finally, methods used to identify RV trade opportunities are also covered.

Objectives:

- Explain how the money market evolved and developed
- Identify the products that form part of the money market
- List the major participants in the market
- Define a relative value (RV) trade and differentiate it from arbitrage and directional trades
- Differentiate between dedicated and non-dedicated RV players
- Describe the methods used to identify RV trading opportunities
- Identify the key characteristics of equity programme trading.
- Recognise the various programme trading strategies
- Outline the benefits of programme trading

Prior to studying this course, you should have a basic knowledge of equities, probability, distributions & hypothesis testing , bond prices and yields.

CREDIT-LINKED NOTES AND AN OVERVIEW OF DERIVATIVES

Date:	Ongoing	Time: Anytime
Level:	Basic - Intermediate	Speaker: -

E – Learning

Programme Outline

Financial derivatives are instruments whose value is based on or derived from another financial instrument or variable (underlying). By linking their payoffs to changes in the value of the underlying assets, derivatives enable market participants to trade in the price fluctuations of the underlying without the necessity of trading directly in that asset.

The credit derivatives market has been growing at a rapid rate. This can be attributed to various factors, including the growth in the number of companies seeking new ways of funding and banks looking for new methods of risk transfer.

This course demonstrates the explosion in both the size of the derivatives market and the variety of instruments available as proof of their widespread application in the financial world. It also focuses on credit-linked notes, a customized credit derivative structure that normally incorporates credit default swaps but with some distinct features and variations.

Objectives:

- Describe the structure of a credit-linked note
- Identify the characteristics of credit-linked note structures
- Recognise the different types of credit-linked notes
- Describe the different types of derivatives and the market for these instruments
- List the different players in the derivatives market and outline some of the applications of derivatives

Prior to studying this course, you should have a basic knowledge of credit derivatives and financial markets.

FORWARDS AND FUTURES – AN INTRODUCTION AND PRICING

Date: Ongoing
Level: Basic - Intermediate
Time: Anytime
Speaker: -

E – Learning

Programme Outline

Forward markets exist for nearly all financial, and many non-financial, assets. The concept of a forward price lies in the heart of derivative pricing and the idea of “a price in the future” is arguably the most fundamental concept in the evolution of derivatives. One of the keys to risk management lies in the ability to fix a price today that will apply to the purchase or sale of something in the future.

This course covers the concept of forward pricing and illustrates the way in which forward prices can be manifested as either individual customized forward transactions, or else as standardised futures contracts. An overview of the differences between futures and forwards is given, as well as the scope of their usage. The course will show how a 'fair', but essentially unique, forward price can be calculated for most investment assets and will further examine how the assumptions differ when dealing with the forward prices of consumption assets rather than investment assets.

Objectives:

- Describe the concept of “prices in the future”
- Explain how the “primitive nature” is generally either a forward transaction or a futures contract and understand the similarities and differences between them
- Identify the key participants in the futures and forwards markets and describe their roles
- Explain how the concept of arbitrage-free pricing generates unique values used to price futures contracts and forward transactions
- Calculate forward prices for a range of different assets and identify why a forward price is not always equal to the price of an equivalent futures contract
- Describe the concepts of backwardation and contango

Prior to studying this course, you should have a basic knowledge of derivatives, forwards and futures.

OPTIONS – AN INTRODUCTION TO VALUATION, FUTURE ASSET PRICES AND VOLATILITY

Date: Ongoing
Level: Intermediate
Time: Anytime
Speaker: -

E – Learning

Programme Outline

Option valuation can be (ultimately) a very complex process; considerations include the option pricing factors, the way in which an option pays out, the market processes of underlying assets, and the relationships between multiple assets. It is at this point that this subject enters the esoteric realms of advanced mathematics. However, before embarking on any complex valuation, there are a number of fundamental foundations.

Option pricing requires some estimation of possible future values of an asset; some models are required to show where prices can move to, and with what probability. The influences can be many, but at least some part of the future price evolution is random. This randomness can be estimated by analyzing the past values of an asset. It is also incorporated into option models through a 'volatility' term. However, the historic estimation and the use of volatility as a pricing input are very different things.

This course outlines the way in which prices can be “enforced” by arbitrage possibilities. This absence of “free lunches” is fundamental to most financial markets pricing, but in particular options. The course will also provide an insight into future asset pricing and volatility.

Objectives:

- Explain when an option is 'in' or 'out' of the money
- Show how an option price is broken into two components: intrinsic value and time value
- Describe the major influences on option values
- Outline the upper and lower boundaries of option prices and explain the factors affecting the exercise decision
- Describe the 'put-call' parity relationship
- Explain the basic components of drift and randomness, which are assumed to underlie the price evolution process
- Describe the idealized 'normal' distribution of returns (lognormal price distribution) and how this differs from reality
- Describe the idea of a probability distribution for the future price of an asset
- Calculate the historic volatility of an asset and explain the key differences between historic and implied volatility

Prior to studying this course, you should have a basic understanding of options.

CAPS AND FLOORS (PRICING, CHOOSER AND DOUBLE STRIKE STRUCTURES)

Date: Ongoing
Level: Advanced
Time: Anytime
Speaker: -

E – Learning

Programme Outline

The use of caps and floors has increased significantly over the years as more companies attempt to hedge their interest rate exposures. Like options, caps and floors can be specifically arranged in such a way as to provide hedgers with a win-win scenario: if the market goes their way, they can choose not to exercise the cap/floor and accept the market rate, while if the market goes against them, they can choose to exercise the instrument and thereby reduce their potential loss. As you would expect, there is a cost associated with this type of hedging.

Certain cap structures are also designed to lower upfront costs while substantially retaining rate protection.

In this course, we will look at how caps and floors are priced in the market and the sensitivity of caps and floors to changes in key pricing variables. We will also explore the features and uses of these cap structures as well as list their pricing procedures. Finally, we will differentiate chooser and double-strike structures from plain vanilla cap structures and outline the benefits of using these products.

Objectives:

- Recognize the determinants of cap and floor prices
- Price caps and floors
- Identify the price sensitivities associated with caps and floors
- Identify the features of chooser caps and list the steps for pricing chooser caps
- Analyze the performance of a chooser cap structure in relation to changes in market rates or volatilities
- Identify how a double-strike cap operates and compare the cost savings and the risks associated with the structure
- Analyze the performance of a double-strike structure in relation to changes in market rates or volatilities

Prior to studying this course, you should have a basic knowledge of options, caps and floors.

CONTINUING EDUCATION SCHEDULE FOR 2009

Classroom courses

E-Learning courses

Date*	Course Title
26 February 2009 6.00pm – 9.00pm	HOW TO PLAN FINANCIALLY FOR YOURSELF IN THE CURRENT FINANCIAL CRISIS
11 March 2009 6.00pm – 9.00pm	PROFITABLE TRADING STRATEGIES USING CANDLESTICK CHARTS, TRADING VOLUME AND MOMENTUM INDICATORS
26 March 2009 6.00pm – 9.00pm	DIVERSIFY YOUR RISKS WITH ETFs^
23 April 2009 6.00pm – 9.00pm	HOW TO PLAN TOWARDS A GRACIOUS RETIREMENT
21 May 2009 6.00pm – 9.00pm	MANAGING PERSONAL WEALTH - A NEW PARADIGM
24 June 2009 6.00pm – 9.00pm	STOCK VALUATION AND SELECTION – A WORKSHOP
8 July 2009 6.00pm – 9.00pm	BASIC TECHNICAL ANALYSIS FOR STOCK TRANSACTION TIMING
5 August 2009 6.00pm – 9.00pm	ADVANCED TECHNICAL ANALYSIS FOR STOCK TRANSACTION TIMING
19 August 2009 6.00pm – 9.00pm	AN UPDATE ON THE REGULATION OF ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM LAWS IN SINGAPORE
9 September 2009 6.00pm – 9.00pm	AN INTRODUCTION TO ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM IN SINGAPORE
17 September 2009 6.00pm – 9.00pm	MANAGING PERSONAL WEALTH - A NEW PARADIGM
7 October 2009 6.00pm – 9.00pm	PROFITABLE TRADING STRATEGIES USING CANDLESTICK CHARTS, TRADING VOLUME AND MOMENTUM INDICATORS
22 October 2009 6.00pm – 9.00pm	HOW TO PLAN TOWARDS A GRACIOUS RETIREMENT
5 November 2009 6.00pm – 9.00pm	HOW TO PLAN FINANCIALLY FOR YOURSELF IN THE CURRENT FINANCIAL CRISIS
19 November 2009 6.00pm – 9.00pm	A PRIMER TO RISK MANAGEMENT

Date*	Course Title
Ongoing	<u>E-LEARNING</u> COMMODITIES – OIL AND NATURAL GAS^
Ongoing	<u>E-LEARNING</u> OPTIONS – AN INTRODUCTION TO VALUATION, FUTURE ASSET PRICES AND VOLATILITY^
Ongoing	<u>E-LEARNING</u> FOREIGN EXCHANGE – A MARKET OVERVIEW, ITS EVOLUTION AND A TYPICAL DAY IN FX DEALING
Ongoing	<u>E-LEARNING</u> EQUITY PROGRAMME TRADING, AN INTRODUCTION TO MONEY MARKETS AND RELATIVE VALUE TRADING
Ongoing	<u>E-LEARNING</u> CREDIT-LINKED NOTES AND AN OVERVIEW OF DERIVATIVES^
Ongoing	<u>E-LEARNING</u> FORWARDS AND FUTURES – AN INTRODUCTION AND PRICING^
Ongoing	<u>E-LEARNING</u> TYPES OF EQUITY DERIVATIVES AND TRADING STRATEGIES FOR OPTIONS^
Ongoing	<u>E-LEARNING</u> CAPS AND FLOORS (PRICING, CHOOSER AND DOUBLE STRIKE STRUCTURES)

*With effect from 30 Jan 2009

^ Denotes product based course

*With effect from 16 July 2009

^ Denotes product based course