

## Continuing Education Programme for Trading Representatives 2010

### **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](http://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.

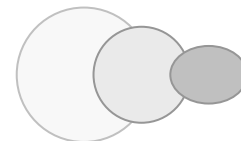
Note:

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

## CONTINUING EDUCATION TRAINING CALENDAR 2010

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### *ENHANCING KNOWLEDGE AND COMPETENCIES*



#### **TRADING WITH HEIKEN ASHI CHARTS**

Date: 10 Nov 2010 Time: 6.00pm – 9.00pm  
Day: Wednesday Venue: FTSE Room, Capital Tower  
Level: Basic Speaker: David Mu

#### **IMPACT OF MARKET FUNDAMENTALS, EXPECTATIONS AND NEWS: AN APPLICATION OF THE ANALYSIS TO SINGAPORE'S FINANCIAL MARKET**

Date: 7 Oct 2010 Time: 6.00pm – 9.00pm  
Day: Thursday Venue: FTSE Room, Capital Tower  
Level: Intermediate Speaker: Yip Sau Leung

#### **CHINA'S ECONOMY, PROPERTY MARKET AND STOCK MARKET AFTER THE GLOBAL FINANCIAL TSUNAMI**

Date: 25 Nov 2010 Time: 6.00pm – 9.00pm  
Day: Thursday Venue: FTSE Room, Capital Tower  
Level: Intermediate Speaker: Yip Sau Leung

#### **BASIC FUNDAMENTAL ANALYSIS FOR STOCK SELECTION**

Date: 24 Mar 2010 Time: 6.00pm – 9.00pm  
Day: Wednesday Venue: FTSE Room, Capital Tower  
Level: Basic Speaker: Robert C.S Tay

#### **ADVANCED FUNDAMENTAL ANALYSIS FOR STOCK SELECTION**

Date: 21 Apr 2010 Time: 6.00pm – 9.00pm  
Day: Wednesday Venue: FTSE Room, Capital Tower  
Level: Advanced Speaker: Robert C.S Tay

## Continuing Education Programme for Trading Representatives 2010

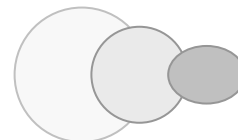
### **CANDLE POWER 1: USING PROFITABLE CANDLESTICK REVERSAL PATTERNS**

Date: 9 Jun 2010 Time: 6.00pm – 9.00pm  
Day: Wednesday Venue: FTSE Room, Capital Tower  
Level: Basic Speaker: Robert C.S Tay

### **CANDLE POWER 2: USING ADVANCED CANDLESTICK CHARTING TECHNIQUES FOR TRADING PROFITS**

Date: 28 Jul 2010 Time: 6.00pm – 9.00pm  
Day: Wednesday Venue: FTSE Room, Capital Tower  
Level: Advanced Speaker: Robert C.S Tay

### ***COMPLYING WITH REGULATORY REQUIREMENTS***



### **RECENT DEVELOPMENTS IN ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM LAWS AND REGULATIONS IN SINGAPORE**

Date: 19 Aug 2010 Time: 6.00pm – 9.00pm  
Day: Thursday Venue: FTSE Room, Capital Tower  
Level: Intermediate Speaker: Chee Wei-Lin

### **UNAUTHORISED TRADING**

Date: 26 May 2010 Time: 6.00pm – 9.00pm  
Day: Wednesday Venue: FTSE Room, Capital Tower  
Level: Intermediate Speaker: Davy Young

### **AN OVERVIEW OF BUSINESS CONDUCT FOR TRADING REPRESENTATIVES**

Date: 25 Aug 2010 Time: 6.00pm – 9.00pm  
Day: Wednesday Venue: FTSE Room, Capital Tower  
Level: Intermediate Speaker: Davy Young



### TRADING WITH HEIKEN ASHI CHARTS

Date:	10 Nov 2010	Time:	6.00pm – 9.00pm
Day:	Wednesday	Venue:	FTSE Room, Capital Tower
Level:	Basic	Speaker:	David Mu

#### ***Enhancing Knowledge and Competencies***

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#### **Programme Outline**

To improve their technical analysis methods and tools, Japanese traders worked to make technical analysis and price prediction easier and faster. The Heikin-Ashi chart that came after the candlestick chart is one of the several different achievements of Japanese traders.

Heiken Ashi is the method of representing the charts using the Japanese technique of the balanced bars. The Heiken Ashi charts are more easily read, provide a clear picture of the market and allow easy trend spotting.

This course is designed to provide a thorough understanding of the Heiken Ashi chart for both professionals and ordinary investors.

#### **Objectives:**

- To equip participants with elementary knowledge about the application of the Heiken Ashi chart
- To enable participants to understand the trading strategy of using Heiken Ashi chart
- To help participants understand how to properly use Heiken Ashi as an analytic tool for trading

#### **Synopsis:**

- Overview of Candlestick
  - History
  - Features
  - Pattern Identification
- Introduction to Heiken Ashi Chart
  - Comparison between Candlestick and Heiken Ashi
  - Formation
  - Trading strategy
- Idea beyond Heiken Ashi
- Trading Heiken Ashi Chart with other indicators
  - Bollinger Bands
  - Moving Average
  - Oscillators

## Continuing Education Programme for Trading Representatives 2010

### **IMPACT OF MARKET FUNDAMENTALS, EXPECTATIONS AND NEWS: AN APPLICATION OF THE ANALYSIS TO SINGAPORE'S FINANCIAL MARKET**

Date:	7 Oct 2010	Time:	6.00pm – 9.00pm
Day:	Thursday	Venue:	FTSE Room, Capital Tower
Level:	Intermediate	Speaker:	Yip Sau Leung

#### ***Enhancing Knowledge and Competencies***

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#### **Programme Outline**

##### **Synopsis:**

The first part of the seminar will discuss the theoretical impacts of:

- Market fundamentals, such as interest rate, money supply and macroeconomic output on share price and exchange rate;
- Expectations of the above market fundamentals on share price and exchange rate (e.g., effect of an expected interest rate cut next month on current share price and exchange rate)
- Political and financial news (e.g., news on political election and release of government statistics) on asset price through its impacts on market expectation.

The second part of the seminar will discuss the latest developments in Singapore's stock market and property market.

The third part will discuss the relationship between the exchange rate system, the CPF system and the economic system in Singapore.

Continuing Education Programme for Trading Representatives 2010

## **CHINA'S ECONOMY, PROPERTY MARKET AND STOCK MARKET AFTER THE GLOBAL FINANCIAL TSUNAMI**

Date: 25 Nov 2010

Time: 6.00pm – 9.00pm

Day: Thursday

Venue: FTSE Room, Capital Tower

Level: Intermediate

Speaker: Yip Sau Leung

### ***Enhancing Knowledge and Competencies***

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#### **Programme Outline**

##### **Synopsis:**

The first part of the seminar will discuss the:

- Latest developments in the global economy;
- Possible direction of the global stock market; and
- Risk of severe global asset inflation and huge cycle of exchange rates in the medium future

The second part of the seminar will discuss the latest developments and the possible direction of China's economy, property market, stock market and exchange rate policies.

## Continuing Education Programme for Trading Representatives 2010

### BASIC FUNDAMENTAL ANALYSIS FOR STOCK SELECTION

Date:	24 Mar 2010	Time:	6.00pm – 9.00pm
Day:	Wednesday	Venue:	FTSE Room, Capital Tower
Level:	Basic	Speaker:	Robert C.S Tay

#### ***Enhancing Knowledge and Competencies***

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#### **Programme Outline**

#### **Objectives:**

- Distinguish top-down approach of Fundamental Analysis, Economic Analysis, Industry Analysis and Company Analysis
- Apply Financial Statement Analysis and Financial Ratios for stock valuation
- Describe and explain concepts in stock valuation

#### **Synopsis:**

- Fundamental and Technical Analysis
- Fundamental Analysis for stock selection and Technical Analysis for stock transaction timing
- The top-down approach of Fundamental Analysis
- Factors that affect stock markets and stock prices
- Economic analysis and industry analysis
- Company, Qualitative and Quantitative analysis
- Financial statement analysis and ratio analysis for valuation
- Financial Ratio Analysis for stock valuation using the Income Method, Earnings Method and Asset Method
- Dividend Yield, Earnings Yield, Price-to-Earnings (PE) Ratio, Price-to-Asset Ratio, use of ratios for stock valuation
- Undervaluation and overvaluation indicators using Dividend Yields, PE Ratios and Price Asset Ratios
- Sources of data for Fundamental Analysis

## Continuing Education Programme for Trading Representatives 2010

### ADVANCED FUNDAMENTAL ANALYSIS FOR STOCK SELECTION

Date:	21 Apr 2010	Time: 6.00pm – 9.00pm
Day:	Wednesday	Venue: FTSE Room, Capital Tower
Level:	Advanced	Speaker: Robert C.S Tay

#### ***Enhancing Knowledge and Competencies***

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#### **Programme Outline**

##### **Objectives:**

- Define Fundamental Analysis
- Apply Financial Statement Analysis and Financial Ratios for stock valuation
- Apply Financial Ratio Analysis for stock valuation
- Calculate the Dividend Yield, Price-to-Earnings Ratio, Price-to-Asset Ratio and understand the use of ratios for stock valuation
- Apply the Equity Risk Premium Model for stock and market valuation
- Comprehend cash flow, recognise profits and identify due diligence steps and danger signals in income statement analysis and cash flow signals

##### **Synopsis:**

- The top-down approach of Fundamental Analysis
- Economic analysis and industry analysis
- Company, Qualitative and Quantitative analysis
- Financial Statement Analysis, Ratio Analysis for valuation, Dividend Yield, Price-to-Earnings Ratio, Price-to-Asset Ratio
- The three approaches to stock valuation : Income , Earnings and Asset approach
- Return on Equity, Return on Investment, Debt Equity, Current and Liquid Ratio, Earnings Yield, PE Ratio, the Price to Net Asset Value
- The significance of reserves, the Reserves to Issued-Capital Ratio
- Cash flow from operations, financing and investments as well as the concept of free cash flow
- Earnings yields and the Equity Risk Premium Model for stock valuation and market valuation

### **CANDLE POWER 1: USING PROFITABLE CANDLESTICK REVERSAL PATTERNS**

Date: 9 Jun 2010  
Day: Wednesday

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

Level: Basic

Speaker: Robert C.S Tay

#### ***Enhancing Knowledge and Competencies***

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#### **Programme Outline**

##### **Objectives:**

- Define types of charts: Line Chart, Bar Chart and Candle Chart
- Interpret data in a candlestick
- Analyse visual impact of a candlestick Chart
- Define the parts of a Candle Chart – the body, upper wick and lower wick
- Recognise Reversal and Continual patterns
- Distinguish between the One Candle Reversal Pattern, Two Candle Reversal Pattern and Three Candle Reversal Patterns
- Evaluate and confirm Reversal Patterns with Volume and /or Open Interest: Indication of participant and market psychology

##### **Synopsis:**

- Technical Analysis – a methodology for stocks and /or futures transaction timing
- Candlestick Charts versus Traditional Bar Charts
- The visual advantage of Candlestick Charts
- The basics of Candlestick Charting, Trend representation (Three Lines up and Three Lines down) and Reversal representation (Three Lines up and Three Lines down)
- The body of the Candle (jittai), the upper wick (uwa kage), the lower wick (shita kage)
- The Sakata Method of Candle Charting
- Long Day and Short Day – Candle Volatility
- Significance of the Doji and types of Doji
- One, Two and Three Candle Reversal patterns
- Hammer (tonkachi), Inverted Hammer (tohba), Hanging Man (kubitsuri), Shooting Star (nagare boshi), Engulfing (tsutsumi), Pregnant (harami)
- The psychological aspect of volume
- Volume and /or Open Interest confirmation
- Pattern recognition, graphics of pattern, recognition guidelines and psychology underlying the pattern
- Cutting losses and profit targets

### **CANDLE POWER 2: USING ADVANCED CANDLESTICK CHARTING TECHNIQUES FOR TRADING PROFITS**

Date: 28 Jul 2010

Time: 6.00pm – 9.00pm

Day: Wednesday

Venue: FTSE Room, Capital Tower

Level: Advanced

Speaker: Robert C.S Tay

#### ***Enhancing Knowledge and Competencies***

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#### **Programme Outline**

##### **Objectives:**

- Define types of charts: Line Chart, Bar Chart and Candle Chart
- Interpret data in a Candlestick
- Analyse visual impact of a Candlestick Chart
- Recognise Reversal and Continual Patterns
- Confirmation of Reversal Patterns with Western Momentum Indicators
- Comprehend two important Momentum Indicators (a) Wilders Relative Strength Index (RSI) and (b) George Lane's Stochastics.
- Apply Wilders Average Directional Index (ADX) – A trend determination technique
- Apply trading on the trend- let the trend be your friend
- Use optimal entry and exit- cutting losses and taking profits

##### **Synopsis:**

- Types of charts: Line Chart, Bar Chart and Candle Chart
- Data for Candlestick construction
- One, Two and Three Candle Reversal Patterns
- The basics of Candlestick charting, Trend representation (Three Lines up and Three Lines down) and Reversal representation (Three Lines up and Three Lines down)
- The body of the Candle (jittai), the upper wick (uwa kage), the lower wick (shita kage)
- Hammer (tonkachi), Inverted Hammer (tohba), Hanging Man (kubitsuri), Shooting Star (nagare boshi), Engulfing (tsutsumi), Pregnant (harami), Morning and evening star patterns
- Dark Cloud Cover and Piercing Line
- The psychological aspect of volume
- Continuation patterns – upside and downside tatsuki gaps, Rising Three Methods and Falling Three Methods
- Moving Averages, Bollinger Bands and Candle Charts
- Using the indicators optimally, cutting losses and taking profits

### **RECENT DEVELOPMENTS IN ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM LAWS AND REGULATIONS IN SINGAPORE**

Date:	19 Aug 2010	Time:	6.00pm – 9.00pm
Day:	Thursday	Venue:	FTSE Room, Capital Tower
Level:	Intermediate	Speaker:	Chee Wei-Lin

#### ***Complying with Regulatory Requirements***

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#### **Programme Outline**

This is a short update on recent developments in Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) laws and regulations in Singapore. This lecture will also examine recent methods of money laundering and terrorism and the laws against such practices.

#### **Synopsis:**

- Brief review of and refresher on:
  - The elements and processes of money laundering and terrorist financing
  - Singapore's legislative framework against money laundering and the financing of terrorism
  - MAS Notice SFA04-N02 and MAS Guidelines on Prevention of Money Laundering and Countering the Financing of Terrorism
- Recent amendments to Singapore's legislative and regulatory framework against money laundering and terrorist financing
- Recent reported cases of money laundering and/or terrorist financing
- Modern methods of money laundering and terrorist financing processes

## Continuing Education Programme for Trading Representatives 2010

### UNAUTHORISED TRADING

Date: 26 May 2010  
Day: Wednesday  
Level: Intermediate

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

#### ***Complying with Regulatory Requirements***

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#### **Programme Outline**

##### **Objectives:**

The aim of this session is to highlight to trading representatives (TRs) on the regulations prohibiting unauthorised trading by TRs and customers, and the consequences of, and liabilities for, unauthorised trading, whether undertaken by the TR or his customers or third parties.

##### **Synopsis:**

- Capital Markets Services Representative's licensing conditions
  - To point out that the Licence is issued on condition that the holder does not use, or permit the use of, any customer's trading account to trade for a third party. A breach of this condition is potentially a criminal offence and may lead to serious consequences.
- Definition of "unauthorised trading"
  - To clarify how this term is defined in the SGX-ST Rules.
- Types of unauthorised trading
  - To discuss the different types of unauthorised trading which may be carried out, eg by TRs using customers' accounts, third-party trading without proper mandate, "nominee" arrangements, and informal discretionary trading arrangements.
- Reporting obligations of broking firms
  - To highlight that SGX-ST Rules oblige companies to report to the authorities promptly if they become aware of unauthorised trading activities or receive complaints of such trading, and also to point out that in the Securities and Futures Act (SFA), there are sanctions for furnishing false statements or false reports to the authorities.
- Investigating unauthorised trading activities
  - To outline how investigations into allegations or complaints of unauthorised trading may be carried out, including an analysis of the customer's trading pattern, the specific allegation or complaint, the TR's explanations and his involvement in the misconduct, and investigations of potential criminal activity
- Liability for losses incurred
  - To discuss the liability for losses incurred under various scenarios of unauthorised trading, based on the outcome of some civil and criminal cases.
- Criminal sanctions
  - To examine the provisions in the SFA on the penalties for unauthorised trading.
- Case studies
  - To discuss some cases which occurred in Singapore, and how they were handled by the authorities and the Courts.

## Continuing Education Programme for Trading Representatives 2010

### AN OVERVIEW OF BUSINESS CONDUCT FOR TRADING REPRESENTATIVES

Date:	25 Aug 2010	Time:	6.00pm – 9.00pm
Day:	Wednesday	Venue:	FTSE Room, Capital Tower
Level:	Intermediate	Speaker:	Davy Young

#### ***Complying with Regulatory Requirements***

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#### **Programme Outline**

The session will cover the following areas:

- (a) Capital Markets Services Representative's Licence - Conditions of Licensing
- (b) Capital Markets Services Representative's Obligations under the Securities & Futures Act and Securities & Futures Regulations
- (c) Trading Rep's Obligations under the SGX-ST Rules
- (d) Criminal Sanctions and Disciplinary Penalties
- (e) Case Studies and Discussion.

### COMMODITIES – PRECIOUS METALS AND BASE METALS

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

#### E – Learning

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#### Programme Outline

A precious metal is a rare metallic chemical element of high, durable economic value. These metals are very malleable, highly resistant to corrosion, excellent reflectors of light and conductors of heat and electricity. They were historically important as currency, but are now primarily regarded as investment and industrial commodities.

Base metals are malleable, ductile, and corrode relatively easily. Such properties have found widespread use in various industries. In today's world, industrial and technological advances have increased the requirement to improve physical infrastructure in developing economies, thereby increasing the demand for base metals. Investors and metal buyers have thus developed the base metal market into a more mature market.

This course looks at the fundamentals of trading in the various precious metals markets: gold, silver, platinum, and palladium. It will also look at the fundamentals of trading in the various base metals markets: copper, aluminum, zinc, nickel, lead, and tin.

On completion of this course, you will be able to:

- Describe the key features of precious metals and the participants in the precious metals market
- Explain the fundamentals of precious metals pricing, and identify the various elements that affect prices
- Describe the process of hedging and trading in the precious metals market
- Describe the key features of base metals and the participants in the base metals market
- Explain the fundamentals of base metals pricing, and identify the various elements that affect prices
- Describe the process of hedging and trading in the base metals market

Prior to studying this course, you should have a basic knowledge of Commodities, Options as well as Forwards and Futures.

## Continuing Education Programme for Trading Representatives 2010

### AN INTRODUCTION TO BONDS, EQUITIES AND ASSET SWAPS

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

#### ***E – Learning***

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#### **Programme Outline**

Bond markets are a critical source of finance for governments and corporations, and offer investors practically an unlimited array of risk and reward profiles. The global bond market is enormous, and growing - most surveys estimate the market to be just under USD 50 trillion in size. The market has become progressively more sophisticated with new instrument variations and a widening range of issuers.

Equity markets have undergone profound changes in recent years. The amalgamation of stock exchanges, both within and across borders, the emergence of alternative trading systems and the growth in Internet trading have all contributed.

Asset swap is a generic term for the repackaging of an interest-bearing security using one or more interest rate swaps. The asset swap adds value for investors because it allows the repackaging of bonds issued under different market conditions, giving them par prices and floating rate coupons more or less at the current market rate. The result is a synthetic security that presents the characteristics uniquely sought by the investor.

This course will introduce the fundamentals of bonds as a fixed income investment, the key terminology associated with these instruments and describe many of the different structures now issued in the market. The course will also provide an introduction to equity markets, from the basics, such as the differences between common and preferred stock, to how these stocks are traded on the stock exchanges as well as advanced issues such as the different types of orders investors can place and the calculation methodologies used for different stock market indexes. The course will also explain the structure of asset swaps and outline some of their uses and applications.

On completion of this course, you will be able to:

- Describe the basic features of a bond
- Explain the functions of the primary and secondary markets for bonds
- Identify the different types of bonds issued in the market
- Describe the different types of equity security that are available
- List the terms used to classify stocks
- Explain the role of both traditional stock exchanges and electronic marketplaces
- Describe the process of buying and selling stocks
- Read stock tables
- Distinguish between the different types of stock index
- Define an asset swap
- Differentiate between the different types of asset swap
- Outline the different uses of asset swaps

Prior to studying this course, you should have a basic knowledge of Financial Markets and Swaps

## Continuing Education Programme for Trading Representatives 2010

### ASSET CLASSES, ALTERNATIVE ASSETS (EXCHANGE TRADED FUNDS) AND HIGH YIELD DEBT

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

#### ***E – Learning***

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#### **Programme Outline**

An asset class can be defined generally as a group of securities or instruments that demonstrate similar characteristics, behave similarly in the market and are essentially subject to the same laws and regulations. In simple terms, asset classes are the basic 'building blocks' of an investment portfolio.

The concept of index investing is rather recent even though stock market indexes have been around since the 19th century. The concept was boosted significantly by the launch of exchange traded funds (ETFs) in the early 1990s. After a relatively slow start, ETFs have subsequently grown to become a worldwide phenomenon.

In line with increases in both the number and size of ETFs, the complexity and sophistication of the funds have also grown. For the first 10 years or so of their existence, ETFs were based almost exclusively on stock indexes. Sector-based ETFs then emerged, while diversification into new asset classes – such as fixed income, real estate, and commodities – gathered pace. The next generation included products such as leveraged ETFs and actively-managed ETFs.

High yield debt refers to bonds or loans that are rated below investment grade, that is, rated below Baa3 (Moody's) or BBB- (Standard & Poors).

This course looks at the risk/return characteristics and diversification benefits of other asset classes such as bonds (fixed income), cash and cash equivalents, real estate, as well as alternative assets such as commodities, private equity and hedge funds. It will explain the fundamentals of ETFs, including their creation, features, and market development and describe many of the different types of ETF available in the marketplace. The course will also look at high yield bonds, also known as junk bonds or non-investment grade bonds and explain the various features of high-yield debt. It will also identify the different types of high yield debt, their benefits, risks as well as describe the issuers of and investors in high yield debt, and their motivations.

On completion of this course, you will be able to:

- Describe the key features and risk and return characteristics of the main non-equity asset classes, namely bonds, cash and cash equivalents, real estate, and alternative assets
- Describe the main characteristics of ETFs, including the creation process for these funds
- Understand the different structures and types of ETF that are available in the market
- Explain the features of high yield debt
- Identify different types of high yield debt
- Recognize the main issuers and investors in the high yield debt market

Prior to studying this course, you should have a basic knowledge of Financial Markets and Investment.

## Continuing Education Programme for Trading Representatives 2010

### **BONDS (PRIMARY AND SECONDARY MARKETS), FUTURES MARKETS AND FOREIGN EXCHANGE (INTRODUCTION TO THE FORWARDS MARKET)**

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

#### ***E – Learning***

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#### **Programme Outline**

The bond market can be broken down into the primary market (where new bonds are distributed and sold for the first time) and the secondary market (where bonds are traded between investors after they have been issued on the primary market). The procedure for trading bonds differs in these markets.

The futures market is perhaps the most visible of derivatives markets; and although volumes stalled in many major markets in the 1990s, this has changed in more recent years with the development of the futures markets; both in multiple locations and in different products.

The majority of foreign exchange transactions settle on the spot date, but what happens if you want to exchange currency in two months' time, not in two days? Forward foreign exchange links the money markets with the spot foreign exchange market. The market allows participants to choose their settlement date and deliver currencies on any business date in the future.

This course provides a general overview of how bonds are traded on both primary and secondary markets. It also outlines the distinctive features of the futures market and gives a snapshot of a rapidly evolving marketplace; products change, exchanges multiply and consolidate, and the very essence of trading is constantly in flux. A view of the current 'state of the game' is also given, together with a more general description of the foundations of the futures industry. The course also introduces the forward foreign exchange market, its relationship to the spot market, interest rate deposits and main forward FX instruments.

On completion of this course, you will be able to:

- Identify the characteristics of primary bond markets
- Describe the pricing and underwriting practices in the primary market
- Explain the operations of secondary bond markets
- Describe the development of the futures markets, both in multiple locations and in different products
- Identify the key features of futures contracts, and how they are margined and cleared
- Describe the evolution of the different trading methods in the futures markets
- Describe the basic characteristics of the forward FX market
- Calculate forward rates
- Distinguish between the main forward FX market instruments

Prior to studying this course, you should have a basic knowledge of Bonds, Equities and Futures Markets and Foreign Exchange.

## Continuing Education Programme for Trading Representatives 2010

### AN INTRODUCTION TO OPTIONS, SWAPS AND WARRANTS

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

#### E – Learning

#### **Programme Outline**

Options have an ancient history; they can be found in ancient Babylon and Greece, and more recently in Holland and Chicago. The long history can be attributed to the fact that the uses of options are both straightforward and fundamental; options are building blocks in finance. A combination of options with other products allows almost infinite customization possibilities.

Currency swaps were first used in the 1970s, and interest rate, equity and commodity swaps were first used in the 1980s. These instruments have since changed the face of finance. Swaps have a wide range of structures and can be used for both asset and liability management and for speculation. Understanding swaps, their pricing and their uses is fundamental to an understanding of today's financial world.

In the 1980s, the warrant market developed out of the need from Japanese corporations with relatively poor credit ratings to raise cheap debt. Since then, the warrant market has continued to thrive and it has changed beyond recognition. It now represents an important source of funding for a variety of borrowers, in addition to being a highly lucrative investment market for many fund managers. The market is noted for its ability to develop new and innovative features, as it strives to meet the requirements of diverse groups of investors around the world.

This course provides a basic overview of options and covers the defining properties of options, the role of options in the panoply of financial instruments, the widespread nature of option use, and the many differing forms that options can take. It will also touch on the complex issue of option valuation. The course describes the basic structure of a swap, explains how these instruments are traded and also looks at swap market conventions. The course also covers the different types of warrants and how warrants compare with other similar types of securities.

On completion of this course, you will be able to:

- Explain the basic terminology associated with the option markets
- Demonstrate how options are fundamental building blocks for financial practitioners
- Explain how options are found in many different markets and many different forms
- Outline the basic structure and features of an interest rate swap
- Identify the fundamental characteristics of the swap market and the key trading conventions in this market
- Define a warrant and calculate its leverage
- Describe a traditional warrant and understand the advantages and disadvantages of warrants for issuers and investors
- Describe the different types of covered warrant
- Explain how warrants compare to and differ from other derivatives

Prior to studying this course, you should have a basic knowledge of Derivatives, Interest Calculations, Equity Derivatives and Options.

## Continuing Education Programme for Trading Representatives 2010

### FORWARDS AND FUTURES (HEDGING) AND AN OVERVIEW OF TECHNICAL ANALYSIS

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

#### ***E – Learning***

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#### **Programme Outline**

The elimination of future price risk lies at the heart of derivatives, whether in the form of forward trades or futures contracts. The use of futures hedging for both short and long-term interest rate risks is extremely widespread. Of the five most liquid exchange-traded contracts in the world in 2006, three were related to interest rate instruments.

Technical analysis is the study of historical market action with the objective of forecasting future price trends; its practice is hugely influential in the market and an understanding of the nature of technical analysis is important.

This course explains the basic principle behind hedging using 'prices in the future' and shows how this principle is applied across many markets. It will outline the differences between, and relative attractions of, using either futures contracts or over-the-counter (OTC) forwards when hedging a position. The course will also look at the hedging of interest rate risk, both for shorter-dated and longer-dated instruments, examine the construction of hedges using bond and money market futures, and outline some of the particular issues unique to these markets. The course will also define technical analysis, analyse its advantages and disadvantages and examine the tenets of Dow Theory, which underpins technical analysis.

On completion of this course, you will be able to:

- Explain how futures contracts and forward trades are used to hedge an existing or anticipated asset position
- Compare and contrast hedging using futures with hedging using forwards
- Outline some of the different hedging approaches used in different markets
- Identify the different long-term interest rate risks faced by market participants
- Explain how long-term interest rate risks can be managed, particularly through hedging using bond and swap futures
- Identify the different short-term interest rate related risks faced by market participants, and explain how these risks can be managed, either through OTC (Forward Rate Agreements) FRA transactions or through the use of money market futures contracts
- Define technical analysis
- Outline the nature of technical analysis
- List the advantages and criticisms of technical analysis
- Describe the basic tenets of Dow Theory

Prior to studying this course, you should have a basic knowledge of Futures Markets.

## Continuing Education Programme for Trading Representatives 2010

### **EQUITIES (RETURNS BASED VALUATION), FORWARDS AND FUTURES (TRADING) AND PRIME BROKERAGE**

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

#### ***E – Learning***

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#### **Programme Outline**

Research analysts typically focus on market multiples and discounted cash flow (DCF) techniques to derive estimates of valuation for a company. In times of economic uncertainty, however, with volatile markets and opaque forecasts, it can be extremely challenging to derive reliable estimates using these techniques.

The practice of hedging is the foundation of futures and forward markets. Futures contracts have always been popular with traders who have no particular hedging interests.

Prime brokerage grew from a need to process and control more efficiently the trades of institutions such as hedge funds, money managers, and investment advisers. These institutions are advised on different strategies and, to pay for this advice, they place trades through prime brokerage facilities. The commission charged for the trade pays for the research and other services provided.

The first part of the course examines alternative 'returns-based' valuation techniques which can be used to determine how efficiently a company is using its capital resources. In particular, the concept of Economic Value Added (EVA) as a method of calculating shareholder value creation is explored in detail. The course will also demonstrate how EVA can be reconciled to the DCF valuation technique. The differences between accounting returns and cash returns used for discounting will also be compared and relevant adjustments that should be made to enterprise value in deriving a single stock price target will be highlighted. The course moves on to cover bond and money market futures trading strategies, such as bond basis trading, as these are probably the most widespread. Various non-hedging trading strategies used by practitioners will also be examined. Finally, the course explains prime brokerage and the benefits it provides to different institutions and discusses the prime brokerage trade process, the participants in the process, and the roles of these participants.

On completion of this course, you will be able to:

- Outline the differences between return on equity (ROE) and return on invested capital (ROIC)
- Understand and apply Economic Value Added (EVA) as a technique for assessing shareholder value creation
- Identify the differences between cash returns versus accounting returns on invested capital
- Convert enterprise value into a single stock price target
- Outline the various categories of non-hedging related trading strategies used in the futures/forwards markets
- Describe 'basis trading' and outline the particular way in which basis trading operates in the bond markets
- Explain the concept of 'spread trading' between futures contracts referencing different assets and different settlement dates for the same underlying asset
- Describe prime brokerage and list its benefits to the institutional customer
- Understand the relationship between prime brokers and executing banks or broker/dealers
- Explain the role that an executing bank or broker/dealer fills in the prime brokerage process

Prior to studying this course, you should have a basic knowledge of Corporate Valuation, Forwards and Futures and Trade Processing.



# CONTINUING EDUCATION SCHEDULE FOR 2010

## Classroom courses

Date*	Course Title
24 March 2010 6.00pm – 9.00pm	BASIC FUNDAMENTAL ANALYSIS FOR STOCK SELECTION
21 April 2010 6.00pm – 9.00pm	ADVANCED FUNDAMENTAL ANALYSIS FOR STOCK SELECTION
26 May 2010 6.00pm – 9.00pm	UNAUTHORISED TRADING
9 June 2010 6.00pm – 9.00pm	CANDLE POWER 1: USING PROFITABLE CANDLESTICK REVERSAL PATTERNS
28 July 2010 6.00pm – 9.00pm	CANDLE POWER 2: USING ADVANCED CANDLESTICK CHARTING TECHNIQUES FOR TRADING PROFITS
19 August 2010 6.00pm – 9.00pm	RECENT DEVELOPMENTS IN ANTI-MONEY LAUNDERING & COUNTERING THE FINANCING OF TERRORISM LAWS AND REGULATIONS IN SINGAPORE
25 August 2010 6.00pm – 9.00pm	AN OVERVIEW OF BUSINESS CONDUCT FOR TRADING REPRESENTATIVES
7 October 2010 6.00pm – 9.00pm	IMPACT OF MARKET FUNDAMENTALS, EXPECTATIONS AND NEWS: AN APPLICATION OF THE ANALYSIS TO SINGAPORE'S FINANCIAL MARKET
10 November 2010 6.00pm – 9.00pm	TRADING WITH HEIKEN ASHI CHARTS
25 November 2010 6.00pm – 9.00pm	CHINA'S ECONOMY, PROPERTY MARKET AND STOCK MARKET AFTER THE GLOBAL FINANCIAL TSUNAMI

## E-Learning courses

Date*	Course Title
Ongoing	<u>E-LEARNING</u> COMMODITIES – PRECIOUS METALS AND BASE METALS <sup>^</sup>
Ongoing	<u>E-LEARNING</u> AN INTRODUCTION TO BONDS, EQUITIES AND ASSET SWAPS <sup>^</sup>
Ongoing	<u>E-LEARNING</u> ASSET CLASSES, ALTERNATIVE ASSETS (EXCHANGE TRADED FUNDS) AND HIGH YIELD DEBT <sup>^</sup>
Ongoing	<u>E-LEARNING</u> BONDS (PRIMARY AND SECONDARY MARKETS), FUTURES MARKETS AND FOREIGN EXCHANGE (INTRODUCTION TO THE FORWARDS MARKET) <sup>^</sup>
Ongoing	<u>E-LEARNING</u> AN INTRODUCTION TO OPTIONS, SWAPS AND WARRANTS <sup>^</sup>
Ongoing	<u>E-LEARNING</u> FORWARDS AND FUTURES (HEDGING) AND AN OVERVIEW OF TECHNICAL ANALYSIS <sup>^</sup>
Ongoing	<u>E-LEARNING</u> EQUITIES (RETURNS BASED VALUATION), FORWARDS AND FUTURES (TRADING) AND PRIME BROKERAGE <sup>^</sup>
Ongoing	<u>E-LEARNING</u> CREDIT DERIVATIVES (INTRODUCTION, USES & APPLICATIONS) AND EQUITY DERIVATIVES (EQUITY INDEX SWAPS) <sup>^</sup>

\*With effect from 21 January 2010

<sup>^</sup> Denotes product based course