

Warszawa, marzec 2014

Szanowni Państwo,

Stowarzyszenie Rynków Finansowych ACI POLSKA wspólnie z Giełdą Papierów Wartościowych w Warszawie oraz Krajowym Depozytem Papierów Wartościowych zaprasza Państwa na szkolenie prowadzone przez firmę CAPITAL MARKETS & Derivatives Training.

WIBOR FUTURES & BOND FUTURES

Szkolenie jest **dwudniowe** i prowadzone będzie **w języku angielskim**

Termin : **27-28 marca 2014r** w Warszawie.

Miejsce szkolenia : siedziba KDPW, ul. Książęca 4, 00-498 Warszawa

Całkowity, planowany koszt szkolenia wynosi **1700 PLN Netto**

Całkowity, planowany koszt szkolenia dla Członka wynosi **1400 netto**

Cena zawiera koszt szkolenia, całodzienny serwis kawowy oraz lunch.

Zapisy do dnia: 14 marca 2014 roku.

Zapisy TYLKO przez link: <http://www.acipolska.pl/wibor-futures-bond-futures>

Instrukcja: Prosimy wypełnić dokładnie wszystkie pola, oraz **szczególnie uważnie wypełnić pole e-mail**. Po naciśnięciu przycisku <wyślij> strona przekierowuje, na kolejną stronę z informacją, że zgłoszenie zostało wypełnione. Jeśli nie nastąpiło przekierowanie oznacza to, że link został wprowadzony błędny kod, lub nie został wciśnięty przycisk <wyślij>. Otrzymacie Państwo maila od Stowarzyszenie Rynków Finansowych ACI Polska aci@acipolska.pl. Prosimy o dokładne zapoznanie się z otrzymanym potwierdzeniem. W przypadku braku otrzymania maila z potwierdzeniem, prosimy sprawdzić w pierwszej kolejności foldery spam lub junk mail. Gdyby nadal tego potwierdzenia nie było prosimy o przysłanie informacji na adres aci@acipolska.pl

Partnerzy szkolenia



GIEŁDA PAPIERÓW
WARTOŚCIOWYCH
W WARSZAWIE

kdpw

Krajowy Depozyt Papierów Wartościowych

(DAY 1) WIBOR FUTURES – pricing, risk management and spread trading

Objective: This one-day course provides a thorough insight into the mechanics of short-term interest rate (STIR) futures, in particular, what factors determine the futures price, and how they relate to the cash money markets and bi-laterally traded interest rate derivatives such as forward rate agreements (FRAs) and short-dates interest rate swaps (IRS). The programme outlines in detail how STIR futures are used to manage interest rate risk, and how they can be used in trading applications.

Aims: Calculate a forward rate from money market rates
Understand the changing relationship between implied forward rates and market forward rates
Compare and contrast STIR futures, FRAs and swaps
Using STIR futures to manage interest rate risk
Working out spread trading opportunities
Analyse the basis risk in a trade and hedge

THE INTER-BANK DEPOSIT MARKET

This section explains recent developments in the money markets, and the Eurozone in particular, following the global financial crisis

- The Eurozone money market
 - Developments in the Eurozone market since the financial crisis
- Short-dated swap instruments

SHORT-TERM INTEREST RATE FUTURES CONTRACT DESIGN & TRADING MECHANICS

This section explains how STIR futures contracts are constructed and designed to provide a tool for hedging interest rate risk and for trading purposes.

- WIBOR futures contract specifications explained
 - Determining the tick value
 - Calculating the DSP & EDSP
 - Understanding the “basis” and where basis risk can arise
- How the margining process works
- The convergence of OTC traded products with exchange traded instruments
 - Use of CSA collateral agreements
 - Central clearing

DERMINING THE FORWARD INTEREST RATE

This section describes implied forward interest rates and how they are derived, and why there may be differences between the *implied* forward rate and actual market forward rate of the same tenor.

- Understanding the relationship between spot money market rates and forward rates
- Deriving forward-forward interest rates from spot money market rates
- Why might market forward rates (FRA rates and forward rates implied by the STIR futures prices) be different?
 - The Euro Euribor experience
- Understanding the sensitivity of the futures price to changes in money market rates
- Forward rate agreements and STIR futures compared

USING STIR FUTURES TO HEDGE INTEREST RATE EXPOSURES

This section explains how STIR futures are used to hedge interest rate exposures, and how an interest rate swap can be replicated, and hence hedged, using short-term interest rate futures

- Why use futures? What alternative instruments are available for hedging interest rate exposures?
- Hedging a lending/borrowing exposure for a futures delivery day
 - Determining the hedge ratio
 - Why we may need to “tail” the hedge
- Hedging for a non-futures delivery day
 - Understanding the basis risk
 - Hedging the basis risk
 - Using time (calendar) spreads and butterfly trades
- Hedging exposures longer than the tenor of the underlying futures contract: Strip v stack hedging
- Creating a synthetic interest rate swap using futures
 - IMM swap replication
 - Problems with replicating and hedging non-IMM swaps
 - Convexity issues
 - What is the convexity issue
 - When does it become a problem
 - How do we make convexity adjustments
 - Future developments: pack, bundle and strip trading facilities

TRADING WITH STIR FUTURES

STIR futures can be used to take advantage of a variety of spread trading opportunities. In this section we look at how to construct the correct spread ratio and correctly position the trade.

- Trading an outright position on anticipated interest rate movements
 - Calculating the spread ratio
 - Buying and selling the spread
 - Intra contract spread opportunities
calendar spreads v butterflies and condors
- Inter-contract spread trading
 - Trading the shape of the curve: three-month v six-month WIBOR futures
 - Polish rates v Euro rates: WIBOR futures v Euro Euribor

(DAY 2) BOND FUTURES – pricing, risk management and spread (basis) trading

Objective: Bond futures are one of the most important internationally traded futures contracts, traded by a wide variety of funds, banks and specialist participants.

This one day course looks at the contract design of the three different WSE T-bond futures contracts and how they can be used for both hedging and trading purposes. The course has a particular focus on how these bond futures are also used for spread (basis) trading.

Aim:

- Explain how the bond futures contract is designed
- Work out the cheapest to deliver bond (CTD)
- Calculate the correct hedge ratio for CTD and Non CTD bonds
- Determine the options inherent in the bond future
- Explain duration and basis point value
- Demonstrate the applications of bond futures
- Show how basis trading works

BOND FUTURES CONTRACT DESIGN

This section provides a critical account of the design of the different bond futures contracts, in doing so it enables us to understand how the contracts are used for hedging and spread trading purposes.

- Short primer on duration, convexity and BPV
- Bond futures contract design
 - physical settlement versus cash settlement of bond futures
- The futures contract as a notional bond
- Determining the deliverable (basket) list
- Use and explanation of the conversion (price) factor
- Concept of the cheapest to deliver (CTD) bond
- Understanding the basis (risk)
 - gross, net, carry basis
- Understanding the optionality in the contract design

PRICING A BOND FUTURES CONTRACT

This section builds upon the earlier section and shows how a bond futures contract is priced and how the price of the future and the price of the bonds in the underlying basket behave overtime.

- Working out a fair bond futures price
 - the significance of basis
- The cash and carry arbitrage relationship
- The invoice amount formula and price of the future v cash bond
- Using the implied repo rate, net basis, zero basis futures adjusted price to determine the CTD
- Significance of the conversion (price) factor in determining the CTD

- Understanding and identifying the inflection points
- Causes of the change in CTD
- Impact of the basis (risk) gross, net, carry basis
pricing futures in a parallel and non-parallel shift environment

HEDGING WITH BOND FUTURES

Fund managers use bond futures to hedge their bond portfolios. This section looks at the various techniques for managing their risk across a series of different scenarios. This section also assesses the issues of basis risk in a hedge.

- Working out the correct hedge ratio
hedge ratio for CTD bond and non-CTD bond hedge
- Using duration, modified duration and convexity to work out basis point value
- Long hedge and short hedge
problems with hedging and changes in the CTD
- Using BPV implied by CTD and realised BPV
- Using bond futures to adjust the duration of a portfolio
- Creating a futures overlay
- Using bond futures to hedge swaps
warehousing a swap
- Basis risk in a hedge

SPREAD TRADING WITH BOND FUTURES

Specialist firms trade the spread between cash bonds and the bond futures price. This section explains how spread (basis) trades are constructed and how the profit and loss is determined together with associated risks.

- Explanation of a simple spread trade
buying the spread and selling the spread
significance of the implied repo rate
- Spread trade between cash bonds and bond futures
working out the correct spread ratio
- Causes in the widening and narrowing of the spread
identifying the inflection point
- CTD and NON CTD spreads
- Trading bond futures with STIR futures
working out the strip