

INTRODUCTION TO OPTIONS, SYDNEY
9:00 - 17:00 + OPTIONAL ASSESSMENT 17:00 - 17:30
UP TO 7 CE HOURS



a high powered course for finance professionals

Familiarise yourself with options.

Target groups:

- traders
- risk managers
- analysts
- portfolio and investment managers
- fund managers
- structured finance staff
- financial planners
- accountants.

Overview

The purpose of this one-day course is to familiarise participants with the features, behaviour and pricing of vanilla options. The course is designed for finance professionals whose work brings them into contact with exchange traded and OTC options in equity, foreign exchange and commodities markets.

The course has a unique structure that combines lecture, discussion and interactive sessions. Class numbers are small, typically 10 to 12 attendees, allowing significant one-on-one time between presenters and participants. Practical Excel-based examples illustrate applications of the course content and form a large component of the total course time.

Presenters

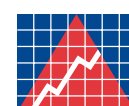
Presenters are senior Macquarie staff who have practical, ongoing and high-level finance experience.



JOYDEEP MITRA

Senior Manager
BE (Software, 1st Class Honours and
University Medal
BCom (Finance and Mathematics)
University of Sydney

Joydeep has worked for Macquarie for 4 years. During this time he has been involved in the development and testing of a wide range of derivative pricing models including convertible bonds. He provides quantitative support to various divisions of Macquarie Group and is regularly consulted on the valuation and risk management of complex derivative structures.



Endorsed by: **AFMA**

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The course

Content

1. The following terms are defined and their meaning explained: underlying asset, strike, expiry, exercise, payoff, intrinsic value, in the money, at the money, out of the money, call, put, issuer and holder.
2. We graph the payoffs that the option holder and issuer will obtain at expiry as a function of the price of the underlying asset.
3. We explain why there is a parity relationship between put and call options.
4. Volatility is defined and we use the definition to calculate the historical volatility of an asset.
5. We show how, prior to expiry, an option has time value as well as intrinsic value.
6. We look at a framework that allows us to determine how the value of an option depends on the volatility of the underlying asset, the moneyness of the option and the time to expiry.
7. The meanings of these option sensitivities are defined: delta, theta, gamma, rho and vega.
8. We show how the option sensitivities depend on option contract details and market rates.
9. We introduce a "portfolio analyser" spreadsheet. This lets us define options and graph the premium, delta, theta, gamma and vega as functions of asset price, volatility and time to expiry.
10. We define these terms that relate to option hedging: delta hedge, asset price sensitivity, dynamic hedge and show how they are used in delta hedging.
11. A "portfolio analyser" spreadsheet enables us to analyse the operation of a delta hedge.
12. We study how option parameters and market rates are related by a "balance equation".
13. We look at the model of asset-price dynamics that underlies option pricing.
14. The model is used to generate representative asset-price movements in Excel.
15. We use the results from above to generate a Monte Carlo option valuation.
16. We relate the above pricing method to the binomial option pricing method.
17. A Monte Carlo hedging simulator is used to study the distribution of hedging payoffs.

Continuing education

This course is an approved Continuing Education (CE) activity. Attendance at this workshop will enable you to earn 6.5 CE hours. An optional assessment will follow the workshop. Successful completion of this optional assessment will earn you an additional 0.5 CE hours.

Venue

Thinkspace
Level 8
9 Hunter Street
Sydney

Contact

Online: www.afma.com.au

Enquiries and Registrations

Email jsheil@afma.com.au
Telephone: +612 9776 7914
Facsimile: +612 9776 4488

Cost

\$1,200.00 + \$120.00 (GST) = \$1,320.00 TOTAL

Registration includes course materials, lunch and refreshments.

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REGISTRATION FORM

Personal details

Dr Mr Mrs Ms Miss

Name _____ Surname _____

Company Name _____ Position _____

Address _____

City _____ State _____ Postcode _____

Country _____

Telephone _____ Mobile _____

Fax _____ Email _____

Workshop dates

Please refer to www.afma.com.au for latest workshop dates.

Preferred date: _____

Registration fees

	Fee	GST	Total
<input type="checkbox"/> Workshop fee	\$1200.00	\$120.00	\$1320.00

REGISTRATION FEE includes course notes, light lunch and refreshments.

This document becomes a Tax Invoice for GST purposes upon completion and payment.

Please photocopy and retain for your records.

Method of payment

Attach cheque made payable to AFMA or provide credit card details below:

Bankcard Visa American Express

Master Card Diners Club

Cardholders Name _____

Total Amount \$ _____

Card Number Expiry Date _____

Signature _____

Please indicate if you do not wish to receive further information regarding AFMA Education & Training Activities.

5 easy ways to register

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Fax + 61 2 9776 4488
Email jsheil@afma.com.au
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GPO Box 3655 Sydney NSW 2001

Terms and conditions

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- For AFMA Members, invoices are issued upon enrolment and are payable within 14 days of being issued.
- Full payment is required at the time of registration from non-member organisations.

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- To obtain a full refund, delegates must notify AFMA in writing at least 10 working days prior to the program start date that they wish to transfer to an alternate program, or cancel.
- Delegates who transfer or cancel from a program inside 10 working days from the program start date are liable for the full program fee. No refunds will be given in this instance.
- Substitutions can be made, with prior notification to AFMA, at any time up to the program start date with no penalty.

Non attendance

- If a delegate fails to attend a program, program fees will not be refunded or allocated to another program.

General

- AFMA reserves the right to cancel, postpone or re-schedule programs due to low enrolments or unforeseen circumstances. Full refunds or transfers will be given in this instance.
- AFMA is not liable for any costs incurred by the attendee if the program is cancelled or postponed.
- AFMA reserves the right to change course fees, dates, content, speakers or method of presentation at its discretion.
- The information in this brochure was correct at the time of publication but may be subject to change.

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