

# Introduction to Derivatives

## Course in Stockholm

### Day 1

#### 09.00 Welcome and introduction

#### 09.15 1. Introduction to Derivatives

- What is a derivative?
- Primary/secondary financial instruments
- Risk components
- Central Clearing
- Collateral

#### 10.30 2. Futures and forwards

- Definitions and terminology
- Hedging and speculation
- Where and how are the products traded?
- Pricing methods
- Exercise

#### 12.00 Lunch

#### 13.00 3. Repos

- What is a repo?
- Special and general collateral
- Quotation and practical trading aspects
- Exercise

#### 14.00 4. Options

- Definitions and terminology
- Profit/loss diagrams
- Intuition behind option pricing
- Motivation for options
- Exercise

#### 16.00 End of Day 1

### Day 2

#### 09.00 Recap

#### 09.30 5. Forward Rate Agreement

- What is an FRA?
- Forward rates
- Settlement and fair value calculations

#### 10.30 6. Swaps

- Why trade swaps?
- Definitions and conventions
- Interest rate, basis-, cross currency swaps and OIS
- Building blocks
- Exercise

#### 12.00 Lunch

#### 13.00 6. Swaps, continued

#### 14.00 7. Interest Rate Options

- Interest rate guarantee (IRG)
- Caps, Floors and Collars
- Swaptions
- Exercise

#### 15.00 8. Credit Derivatives

- Credit risk trading
- The credit derivative family
- Credit Default Swap (CDS)

#### 16.00 End of course and evaluation

### Price

The price of the course is EUR 1800. The price includes course material, lunch and refreshments.

