

Interest Rate Derivatives
Course Outline – One-day

Date: 26 April 2007 Sydney

Duration: One-day (0900-1700)

Level: Intermediate

Pre-Requisites: Overview knowledge of Capital Markets and Derivatives.
Delegates would be advised to have a calculator along for the course.

Fee: AUD 995

Learning in Teams: For every 4 delegates you enroll onto this course, the 5th person attends FREE.

Enrolment Deadline: Monday April 2nd 2007

Venue: Details to be forwarded upon receipt of enrolment. Central Sydney CBD location.

Course Description:

This one-day training course is designed for risk control, middle office, and operations staff who are or expect to be supporting trading and sales in Interest Rate Derivatives. It is designed to deepen participants' knowledge and skills regarding the features and benefits, pricing, and risks of interest rate and cross-currency instruments.

Course Objectives:

Successfully attending this course, participants will

- Use conceptual and mathematical skills to cope with forward and zero coupon interest rates
- Understand how the basic OTC interest rate products within and across currencies are used in order to convert the risk profile of interest rate exposures
- Identify and manage risks in single currency and cross currency interest rate derivative contracts
- Revalue Rate Swaps against an existing market yield curve
- Price and revalue a CCS against forward and yield curves

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Session 1: Interest Rate Swaps

- The Yield Curve and Fixed Interest Rates
- Swap Conventions and Mechanics
- Bridging Capital Markets
- The role of Market Makers
- Value Proposition to End-users

Exercise: Swap Dealing

Exercise: Deal Analysis and Diagramming

Session 2: Interest Rate Swap Pricing and Valuation

- Calculating Forward Rates
- Inter-bank spot interest rates
- The Yield Curve
- Implied Forward Interest Rates
- The Yield Curve and Zero Coupon Rates

Exercise: Deriving Long-dated Zero Rates

- IRS Pricing from Zero rates

Exercise: Dated Swap Re-valuation

Session 3: Cross Currency Rate Swaps

- Value across forward FX and Domestic Yield Curves
- End-user Value Proposition
- Product Features

Exercise: CCS Product Application

- Dated Swap Re-valuation

Session 4: Business Issues with IRS and CCS distribution

- Credit
- Documentation

Summary Conclusion and Question and Answer Session