

OPTION GREEKS FOR ADVANCED TRADING STRATEGIES

WITH ONE WEEK OF
PRACTICAL TRAINING
IN LIVE MARKETS

Overview

Financial markets the world over are on a rapid change mode. The pace of growth is fast and astonishing. In this scenario, market practitioners need to develop domain knowledge expertise, with quantitative and qualitative analytical skills. Increasing volatility in the options market across the globe has necessitated a multidimensional approach for trading. It is important to understand 'Greeks' for making neutral trading strategies.

Given the current market scenario and dynamism, the options market has attracted attention more than ever before. The options concepts are multi-fold and are applicable across all financial markets: equities, fixed income, currencies—domestic and global. Analysis of Greeks offers a concrete understanding of how Delta, Gamma, Theta, Vega, and Rho affect an individual's portfolio.

In view of this, Financial Technologies Knowledge Management Company Limited (FTKMC) presents a comprehensive training programme: Greeks for Advanced Trading Strategies. The programme is suitable for option traders, analysts, dealers, consultants, and other market practitioners. The course provides an opportunity to understand Delta-neutral trading, Gamma-neutral trading, and how to get benefit from Theta and Vega. The programme will equip participants with advanced skills in implied volatility trading with Delta and Gamma-neutral strategies.

Objectives

The programme will help participants:

- Get an overview of Greeks trading techniques.
- Understand the basic and advanced concepts of Greeks for neutral-trading strategies (with specific reference to Delta and Gamma-neutral trading strategies).
- Develop domain knowledge expertise in the area of advanced Delta-neutral and Gamma-neutral trading strategies and the mechanics that drive those strategies.

Course Outline

- **Introduction to derivatives**
 - Forward, Futures, Options, and Swaps
- **Options and options terminology**
 - Types, Moneyness, Payoffs, Intrinsic Value, Time Value, etc.
- **Options and its relevance in portfolio management for hedging**
 - Relevance of options
 - Risk management using options for portfolio management
- **Basic options strategies**
 - Long Call/Put, Short Call/Put, Synthetic Long Call, Covered Call, Protective Put, Covered Put, Protective Call, Long Straddle, Short Straddle, Long Strangle, Short Strangle, Collar, Bull Call Spread, Bull Put Spread, Bear Call Spread, Bear Put Spread, Long Butterfly, Short Butterfly, etc.
- **Volatility**
 - Implied and historical volatility
- **Introduction to Greeks**
 - Delta, Gamma, Theta, Vega, and Rho
- **Trading Greeks**
 - Delta-neutral positions, short Gamma, long Gamma, etc.
- **Delta-neutral strategies and Volatility trading**
 - Front Call Spread, Back Call Spread, Front Put Spread, Back Put Spread, Call Short Gamma Ratio Spread, Put Short Gamma Ratio Spread, Call Long Gamma Ratio Spread, Put Long Gamma Ratio Spread, etc.
- **Advanced options strategies**
 - Box Arbitrage, Spreading, Conversion, Reversal, etc.

About Greeks and Its Role in Options Trading

Options traders often refer to Delta, Gamma, Vega, and Theta. Collectively, these terms are known as 'Greeks'. In options trading, Greeks measures the options' sensitivity to various risk components inherent in the price of an option. These measures include the speed of the underlying securities price movement, interest rate movement, time decay of an option, and volatility.

Greeks plays a vital role in options trading. It is a tool that helps hedgers to make their portfolio Delta and Gamma-neutral and also to analyse the portfolio sensitivity in terms of price change. Neutralizing the Greeks position is a strategy that facilitates traders to carry neutral Delta or Gamma positions by providing various Greeks values.

Advanced Strategies Using Greeks

The content of the programme and the advanced trading strategies are

- Greeks usage
- Delta-neutral hedging/ trading
- Gamma-neutral hedging/ trading
- Volatility trading
- Volatility spreads and arbitrage

Pedagogy

The programme will engage an appropriate mix of lectures, exercises, interactive sessions, case studies, etc. The programme is conducted by faculty with rich practical as well as training/ consultancy experience in the technical domain. Since the offerings of the programme are in a niche area, very few institutions have the kind of domain expertise and in-depth knowledge that FKMC and the guest trainers have cultivated over the years.

Who Should Attend?

The programme is ideal for

- Options dealers
- Derivative analysts
- Traders
- Treasury employees
- Options arbitragers
- Spread traders
- High frequency traders
- Corporate hedgers
- Traders engaged in programme trading

Programme Details

'Options Greeks for Advanced Trading Strategies' is a 18-day programme (Monday to Friday: 6:00 PM to 9:00 PM)

Programme Director

Mr Hitesh Sethia is a domain expert in financial markets. He conducts training programmes for the Financial Technologies Group companies, including Multi Commodity Exchange of India Ltd (MCX), Global Board of Trade (GBOT), Mauritius and Singapore Mercantile Exchange, Singapore.

He is a postgraduate in Finance and Management and has designed and organized many short-term and long-term training programmes across different parts of the value chain in the financial market domain.

Mr Sethia has conducted more than 150 training programmes on Jobbers, Arbitrage, and Spreads. His areas of specialization are exchange risk management, market operations, clearing and settlement, delivery mechanism, price risk management, and volatility analysis in commodity markets. He has written many research papers, including Mapping Commodity Markets with Currency Market; Equity Market Indicator and the Volatility of USDINR; All about Proprietary and Client Trading; Technical Analysis; and Exchange Bylaws, Rules, and Regulations. In addition to various initiatives, he conducts programmes for management institutions such as Indian Institute of Management (Ahmedabad & Bangalore); Symbiosis Centre for Management and Human Resource Development (SCMHRD), Pune; Birla Institute of Management Technology, Noida; Welingkar Institute of Management Development and Research (Mumbai & Bangalore); Reserve Bank of India's College of Agriculture Banking, Pune; National Institute for Agricultural Marketing, Jaipur; Institute for Rural Management, Anand; etc. Recently he conducted a training programme for bankers in Nairobi, Kenya.

He can be contacted at hitesh.sethia@ftkmc.com or **+91 9930267957**

Fee & Registration

The fee for the programme is ₹ 23,000 per participant (non-residential), plus 12.36% service tax (total ₹ 25,843). The fee includes tuition, presentation material, etc. The completed registration form along with an account payee demand draft or cheque drawn in favour of '**FT Knowledge Management Company Ltd**', payable in Mumbai, should reach FTKMC at least seven days before the commencement of the programme.

For details, please contact:

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