



# Future & Option Trading Module

## Description

A growing need to understand the various new investment & hedging products is important as the Indian financial markets move towards an integrated international financial system. Future & Option trading is the most relevant training program for financial market aspirants. Those who would like to upgrade their existing skill-set and capitalize on the emerging opportunities in Indian financial services, this is a perfect training program for you. Taking into consideration the rapid evolution of equity, commodities, and currency markets (FOREX) in India, the derivative markets will witness high interest from the different sections of society because of their characteristics of high risk aversion, low margins, and fast movements. It will offer financial market aspirants the most relevant and practical knowledge base related to the subject.

## Highlights

This module teaches candidates about trading in derivatives. The candidates will learn about Future & Option trading mechanisms with directional opportunities in the derivatives market. Starting from the beginning and assuming that you are completely unaware of the financial markets, we will take you from the basics to the most advanced levels of knowledge about derivatives trading. Through this easy-to-understand course on Futures and Options trading, you will gain confidence in the derivatives market.

## Content

- What are derivatives products
  - ✚ Forwards
  - ✚ Futures
  - ✚ Options
    - Call & Put
- Participants of derivatives Market
  - ✚ Hedger

- ✦ Speculator
- ✦ Arbitrager
- Key drivers of derivatives trading
- Understanding Forwards
  - ✦ What is a forward contract
  - ✦ How is it traded
  - ✦ Importance in Indian economy
- Understanding Futures
  - ✦ What is a Future contract
  - ✦ How is it traded
  - ✦ Importance in Indian economy
- Difference between Forward and Futures
- Speculation in Futures Market
- Hedging through Forwards and Futures
- Derivatives Expiry and Trading
  - ✦ Near Contracts
  - ✦ Next Contracts
  - ✦ Far Contracts
- Understanding Options
  - ✦ What is an option contract
  - ✦ In the money option contract
  - ✦ At the money option contracts
  - ✦ Out of the money option contracts
  - ✦ Intrinsic Value of an option contract
  - ✦ Time Value of an options contract
  - ✦ Moneyness of an option contract
  - ✦ American options & European Options
- Clearing & Settlement of Derivatives
  - ✦ What is clearing and settlement of derivatives
  - ✦ How they are different from stock clearing
  - ✦ Open position of the client
  - ✦ Open interest of the market
  - ✦ Margins
    - Value at risk margin
    - Extreme loss margin
    - Mark to market margin

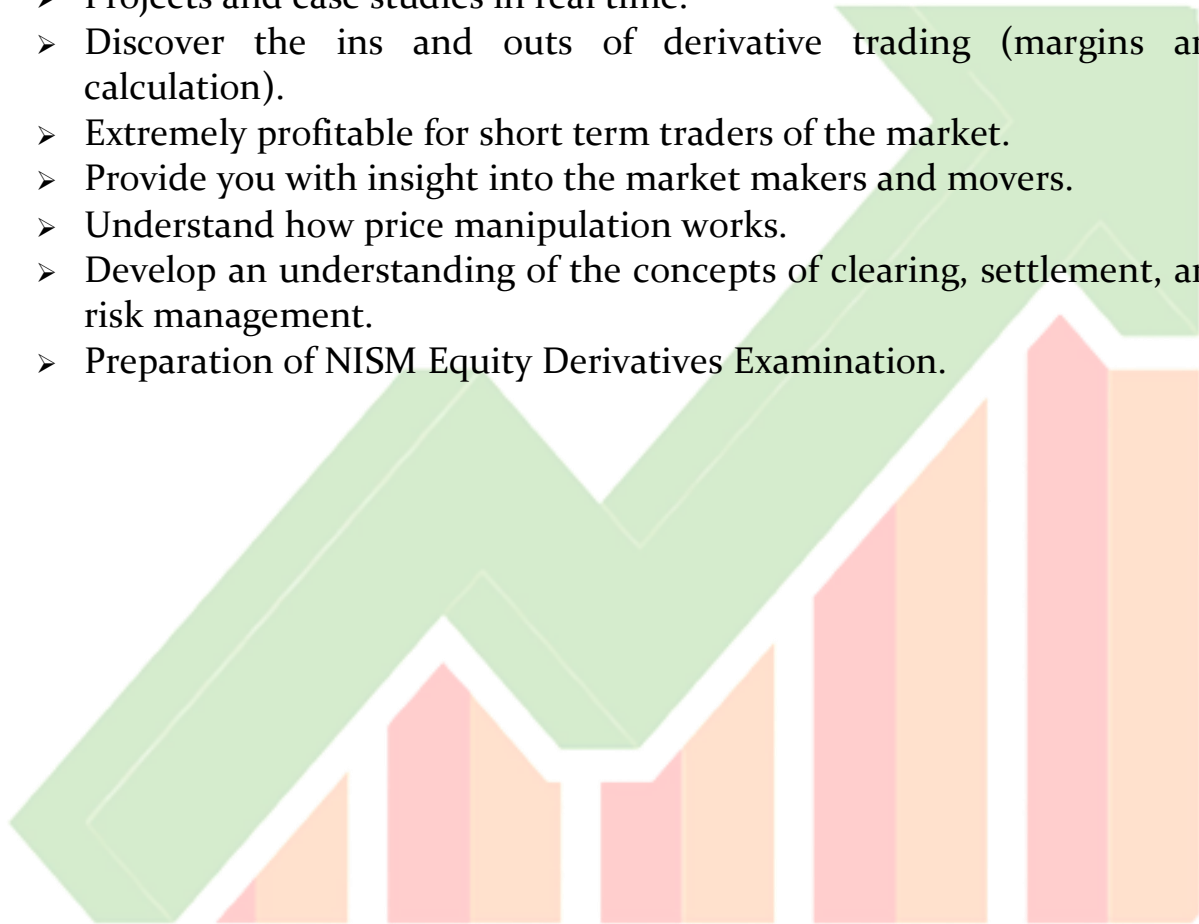
- Margin Collection
- What is Open Position
- What is Open Interest
- Understanding Options Greeks
  - ✦ Beta
  - ✦ Delta
  - ✦ Gamma
  - ✦ Theta
  - ✦ Vega
  - ✦ RHO
- Understanding Trading in Index and Indices
- Hedging through an Option contract
- Payoff of Futures and Options
- Trading with Option strategies
  - ✦ Bull Spread
  - ✦ Bear Spread
  - ✦ Short Straddle
  - ✦ Long Straddle
  - ✦ Short Strangle
  - ✦ Long Strangle
  - ✦ Butterfly
- Real Live Option Trading with Technical Analysis
- Real Live Option Trading on Options Strategies
- Strength and weakness of Options Trading
- Money Making Futures and Options Intraday
- Money Making Futures and Options Positional

### Objectives:

Training in Futures and Options Trading introduces trainees to relevant concepts related to futures and options trading. In addition, it will help participants become familiar with sophisticated methods of growing and preserving capital through the creation of their own options trading strategies. Candidates in this module gain hands-on experience by identifying and executing future & options trading opportunities, which will result in a consistent income from the stock market.

## Benefits

- Understand the concept of Futures & Options Trading.
- An explanation of the concept of Hedging, Arbitrage, and Speculation with Derivatives.
- Projects and case studies in real time.
- Discover the ins and outs of derivative trading (margins and calculation).
- Extremely profitable for short term traders of the market.
- Provide you with insight into the market makers and movers.
- Understand how price manipulation works.
- Develop an understanding of the concepts of clearing, settlement, and risk management.
- Preparation of NISM Equity Derivatives Examination.



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