



Treasury & Capital Markets

Course Outline: Equity Markets – Trading & Operations

| Chapter | Topics | Recommended Study Time (Hrs) |
|--------------------------------------|--|------------------------------|
| Equity Markets - Introduction | <p>Types of Markets: Primary and Secondary markets.</p> <p>Trade Life Cycle: Life cycle of an equity share - from Issuance to Asset Servicing.</p> <p>Market Participants: The various market participants, and their role in the trade life cycle.</p> <p>Key Terms: The common terminologies in the stock market, how stocks are classified by traders, and the jargon used in practice.</p> | 1.5 |
| Trade Life Cycle: Issuance | <p>Investor Categories: Classes of investors as defined by SEBI.</p> <p>Issuance Process: The detailed issuance process step by step.</p> <p>Private Placement, FPO: Other types of share issuances from corporates.</p> | 1.5 |
| Trade Life Cycle: Pre-Trade Analysis | <p>Fundamental Analysis: The process of analysing stocks using fundamental factors.</p> <p>Technical Analysis: The process of analysing stocks using charts and past investor behaviour.</p> <p>Analytics & Simulation: The process of what-if analysis and stress testing done by large financial institutions.</p> | 1.0 |
| Trade Life Cycle: Trading Process | <p>Secondary Market Trading: The process and documentation required prior to trading.</p> <p>Order Placement: The actual process of classifying and placing orders on the online trading system.</p> <p>Trading Workflow - end-to-end: A detailed understanding of the trading process step by step.</p> <p>Classification of Stocks: How to group stocks for trading purposes, and the trading strategies for each group.</p> <p>Trading Beta: How to calculate and use Beta for trading stocks.</p> <p>Margin Trading: How margin trading works and the concept of leverage.</p> | 2 |
| Trade Life Cycle: Trading Strategies | <p>Classification of Stocks: How to group stocks for trading purposes, and the trading strategies for each group.</p> <p>Trading Beta: How to calculate and use Beta for trading stocks.</p> <p>Margin Trading: How margin trading works and the concept of leverage.</p> | 1.5 |
| Trade Life Cycle: Post Trade | <p>Clearing Process: The detailed clearing process and how the obligations of the various parties are determined.</p> <p>Settlement Process: The detailed settlement process with timelines.</p> <p>Settlement Failure: Why settlement failure occurs, and the process of Securities Lending and Borrowing.</p> | 1.0 |



A Quality e.learning program by
www.learnwithflip.com

| | | |
|--|--|-------------|
| Trade Life Cycle: Asset Servicing | <p>Introduction; Role of the Custodian/DP in the asset servicing process, and the list of activities undertaken.</p> <p>Income Collection: How Dividend is collected and disbursed. Relevance of record date, ex-dividend date etc.</p> <p>Corporate Actions: Voluntary and Mandatory actions taken by the issuer such as Rights, stock splits, acquisitions etc., and their impact on stock holding.</p> | 1.0 |
| Risk Management | <p>Reporting: How to value stocks - also called Mark to Market (MTM).</p> <p>Margins: The various margins imposed by the exchange, and how they are computed.</p> <p>Internal Limits: Limits imposed by institutions internally for risk management purposes.</p> | 1.0 |
| Total Recommended Learning Hours | | 10.5 |

Course Outline: Bond Markets – Trading & Operations

| Chapter | Topics | Recommended Study Time (Hrs) |
|---|--|------------------------------|
| Bond Markets - Introduction | Key terms: Understanding Key terms such as Coupon, Yield etc. | 1 |
| Bond Arithmetic | <p>Interest Rate Arithmetic: Concept of Present Value, Future Value, Day count conventions.</p> <p>Bond Pricing: The actual arithmetic behind bond pricing, and computation of yield given a price.</p> <p>Valuation of Bonds: Calculating Profit or Loss on the bond portfolio.</p> | 1.5 |
| The Indian Bond Market | <p>Classification Based on Type of Issuers: The features of G-secs, T-bills, State Govt. bonds and Corporate Bonds.</p> <p>Classification Based on Characteristics: The features of Convertibles, Callable and Puttable bonds.</p> <p>Money Market Instruments: The features of the call money market, CDs, CPs and the Repo market.</p> <p>Market Overview: The features of the Indian Bond market.</p> <p>Market players: The market players, and the typical types of bonds they trade in.</p> | 1.5 |
| Issuance | <p>Issuance of Govt. Securities: The detailed auction process of bidding for bond auctions, the role of Primary Dealers, underwriting etc.</p> <p>Issuance of Corporate Bonds: How Corporate bonds are issued in practice.</p> | 1.0 |
| Bond Markets: Pre-Trade Analysis | <p>Market Data and Events: The market data and events that traders must look for, and their impact.</p> <p>Linkage with Other Markets; Impact of events in the stock and currency markets on bond markets.</p> | 1.0 |



A Quality e.learning program by
www.learnwithflip.com

| | | |
|---|---|------------|
| Trading | <p>Trading G-Secs: How to play the yield curve, and the trading strategies used in practice.</p> <p>Trading Corporate Bonds: How to play the spreads, and the trading strategies used in practice.</p> <p>FX-MM Arbitrage: How FIIs use the FX-MM arbitrage to make money.</p> <p>Trading Process: How trades are done on the NDS and other order matching systems.</p> <p>Bank's Investment Portfolio: How bond portfolios are classified into HTM, AFS & HFT, and its impact on P/L.</p> | 1.0 |
| Post Trade & Asset Servicing | <p>Post Trade Process – G-secs: How bond trades are recorded and settled.</p> <p>Trade Accounting: Basic accounting entries governing a bond trade.</p> <p>Asset Servicing: Actions that take place once the bond trade has settled</p> | 1.5 |
| Risk Management | <p>PVBP/PV01/DV01: How to calculate and interpret PV01, and how it is used by banks for risk management.</p> <p>Macaulay Duration, Modified Duration, and Convexity: Other parameters used to measure risk on a bond portfolio, their calculation and interpretation.</p> | 1.0 |
| Total Recommended Learning Hours | | 9.5 |

Course Outline: Currency Markets – Trading & Operations

| Chapter | Topics | Recommended Study Time (Hrs) |
|--|--|------------------------------|
| Currency Markets - Introduction | <p>Features & Market participants: The features and the market players in Forex markets.</p> <p>Foreign Exchange Fundamentals: Key terms such as - Exchange rate, base currency, quoted currency etc.</p> <p>Exchange Rate - Economics: BOP and its components, and how it impacts the exchange rate.</p> | 1.5 |
| The Spot Market Arithmetic - Part I | <p>Quoting Conventions: How exchange rates are quoted, bid and offer.</p> <p>Cross Rates: Calculation of cross rates, and thumb rules used in practice.</p> <p>Margins: How margins are built in, for quoting customer rates.</p> | 1.0 |
| Spot Market Arithmetic - Part II | <p>Quoting Strategy: How to trend rates in the market to achieve your trading objective.</p> <p>Trading Position: How to calculate trading position for each currency pair, and in one reporting currency for the bank as a whole.</p> | 1.0 |



A Quality e.learning program by
www.learnwithflip.com

| | | |
|---|---|-------------|
| Spot Markets: Pre-Trade Analysis | <p>Factors Affecting Forex Markets: The factors that affect spot markets and their interpretation for trading purposes.</p> <p>The Indian Rupee Market: How the USD/INR market works, the demand and supply factors, and the role of SBI and RBI in these markets.</p> | 1.5 |
| Spot Markets - Trading Process | <p>Trading Process: How trades actually take place, live conversations</p> <p>Trading Vocabulary: Trading jargon used in practice.</p> <p>Asking Etiquette: How to use ethics and courtesy to trade and be respected in the market</p> | 1.0 |
| Forwards Market Arithmetic (Part I) | <p>Forward Transactions: Why do customers book forward transactions, and nature of forward contracts in terms of cash flows.</p> <p>Calculation of Forward Rates: How to mathematically compute forward rates using interest rates.</p> <p>Swap Markets: What are swaps, and how they are used for computing forward rates in the inter-bank market.</p> | 1.0 |
| Forwards Market Arithmetic (Part II) | <p>Calculating the Swap Rate: How to mathematically compute swap rates using interest rate differentials</p> <p>Swap - Bid/Offer: How swaps are quoted in practice, thumb rules on bid and offer.</p> <p>Swap Trading: How swaps are traded, and the factors that influence swap rates</p> <p>Cross Currency Forward Transactions: Computing cross currency forward rates using easy thumb rules.</p> | 1.5 |
| The Indian Swap Market | <p>Features of the Indian Swap Market: The nature of the Indian swap market, and the factors that influence swap markets</p> <p>Market Factors Unique to Indian Market: Rolling months and Calendar months, how to quote odd date forward contracts.</p> <p>Customer Transactions: Typical customer transactions - rollovers, early delivery, cancellation etc.</p> <p>Non Deliverable Forwards (NDFs): How the NDF market works, and its impact on the domestic onshore rupee market.</p> | 1.0 |
| Trade Life Cycle: Post Trade | <p>Middle Office - Risk Limits: How different risk limits are set in practice - calculation of SR and PSR for credit risk, position and loss limits for market risk etc.</p> <p>Continuous Linked Settlement: Concept of CLS and how it is used to reduce settlement risk.</p> <p>Back Office – Settlement & Delivery: A detailed example on how a trade is settled, and the various SWIFT messages to be sent for settlement instructions.</p> <p>Back office – Other Functions: How to track Rate Reasonability, manage Nostro reconciliations etc.</p> | 1.0 |
| Currency Futures | <p>Introduction: What are currency futures, and how they are different from OTC forwards?</p> <p>Live Quotes: Live quotes from NSE. And how trade takes place on the exchange.</p> <p>Settlement: How futures settle and the various margins imposed by the exchange.</p> | 1.0 |
| Total Recommended Learning Hours | | 11.5 |



Course Outline: Derivatives- A brief overview

| Chapter | Topics | Recommended Study Time (Hrs) |
|-----------------------------------|--|------------------------------|
| Derivatives - Introduction | Introduction: What is Financial Derivatives ? Options: Price or Premium of the option, Making money with options Benefits of Using Derivatives: Alter risks, reduce transaction costs, reduce cost of financial distress | 1.0 |
| The Building Blocks | Building Blocks: How derivatives can be classified into three broad categories - credit extension, price fixing and price insurance. Combining the Building Blocks: How hybrid structures can be broken down into building blocks to understand the features and pricing. | 1.0 |

Total Recommended Learning Hours

2.0

All programs are blended with Practice Tests, Online faculty discussion sessions and E.mail Query Support.

FLIP (www.learnwithflip.com), a senior IIM alumni initiative, is setting a **Knowledge Benchmark** across banking & finance.

A young company, it has crossed 50,000+ learners across students, working professionals, banks, FIs, IT companies & Educational Institutions.

FLIP *makes e.learning work*: with global award winning courseware and managing the entire learning experience. Its role based, *rigorous certifications* are used by jobseekers, to enhance their career prospects; and employers, who 'prefer/give weightage' to a FLIP certified candidate.