

Using Options to Craft Exposure & Manage Risk

Options derivatives are a complex, demanding product, but are well worth the effort and study. They will allow the user to be very specific with the position they want to assume, in terms of potential return as well as exposure to risk.

It's imperative to have a very clear understanding of the various scenarios that can unfold: a derivative price can take various paths, and these can move extremely fast.

In this course, you will benefit from the expertise and personal experience of a seasoned practitioner in the field of options derivatives. You will explore both the theory and the practice until you feel competent and confident in using these instruments.

Who should attend?

Delegates working in retail or institutional fund management, in a role where risk management, generating income or protecting profits is expected and the use of derivatives is permitted. Delegates don't need any previous knowledge of options to attend.

Course outline

- Relationship between underlying asset and derivatives
- An introduction to call and put options
- Using options to manage risk
- Using options to gain exposure
- Using options to capture return
- Using options to generate income
- Technology tools for options analysis
- Scenario analysis - breakeven, maximum losses and potential gains
- Spread analysis - using two or more legs of a trade for a band of expected outcomes
- Questions to ask when choosing your options broker
- The practicalities of placing an options transaction
- The calendar of an option; opening the position, closing the trade and expiry
- Review