

**The objective of the Course – Fixed Income & Credit Derivatives – Beginner Series**

**The objective of the Course:** Treasury Consulting Group (TCG) Trainings Foundation course provides learners with a comprehensive understanding of the principal securities, currency, and derivatives markets, the fundamental drivers behind them, and, in particular, their macroeconomic dynamics. In addition to providing learners with a sound introduction to the principal equity, debt, and foreign exchange markets, the program provides key insights into the role of each of these markets in the formation of capital in economies, as well as the critical role played by money and derivatives markets in the management of liquidity and risk. The course covers the principal analytical and valuation models used in capital markets but retains a healthy grounding in the realities of capital markets and the evolution of securities and other market pricing.

**❖ Targetted Audience :**

- Money Market Managers
- Corporate Finance Executives
- Treasury Executives
- ALM Managers
- Traders & Dealers
- Relationship Officers
- Product Development Managers
- Foreign Exchange Executives
- Accountants & Auditors

**Course Content – Fixed Income & Credit Derivatives – Beginner Series** **Session I: Bond Analytics**

- What is a bond?
- Who issues and invests
- Bond characteristics - Coupon: fixed, floating, zero-coupon bonds (“strips”)
- Price/yield relationship
- The major Government bond markets
- The Eurobond market - MTN issuance program

 **Session II: Corporate bond issuance**

- Calculating a bond's price on a coupon date
- Clean (quoted) v dirty price
- Common accrual conventions
- Calculating a bond's price on a no coupon date
- Interpreting the price: defining yield measures - Yield to maturity as an Internal Rate of Return (IRR) - Yield to call - running yield
- The yield curve and yield curve theories

 **Session III: Understanding Zero Coupon Curve**

- The problem with YTM's:- Re-investment risk
- Understanding the zero-coupon bond pricing concept and its importance in the marking-to-market process
- Constructing the zero-coupon equivalent yield curve
- The government bond “strip” curve
- Using zero-coupon discount factors in the price discovery process

### ❑ Session IV: Fixed Income Markets Analysis

- ❑ Price yield relationship for option free bonds
- ❑ Determinants of bond price sensitivity
- ❑ Measures of bond price sensitivity:
  - ❑ Macaulay Duration
  - ❑ Modified Duration
  - ❑ Dollar Duration
  - ❑ PVBP (Present Value of a Basis Point)
- ❑ Calculation and interpretation of duration
- ❑ The non-linear properties of duration: time, yield and coupon dependencies
- ❑ Calculating the duration of a bond portfolio

### ❑ Session V: Exotic - Interest Rate Derivatives (IRD)

- ❑ Introduction to MIFOR Swaps
  - ❑ IRS – MIFOR Principal Only Swaps (POS)
  - ❑ IRS – MIFOR Coupon Only Swaps (COS)
  - ❑ IRS – MIFOR Cross Currency Interest Rates Swaps (CCIRS)
- ❑ Total Return Swaps (TRS)
- ❑ Libor Fiat Swaps (W/o QSD)
- ❑ Introduction to Overnight Index Swaps (OIS) – IBOR Exposures

### ❑ Session V: Convexity

- ❑ Convexity defined
- ❑ Calculating convexity for fixed coupon bonds
- ❑ The implications and 'value' of positive & negative convexity on market yields
- ❑ Relationship between convexity and interest rate volatility
- ❑ Limitations of duration and convexity: assumptions, benefits & shortcomings

### ❑ Session VI: Credit Linked Notes & Securitization

- ❑ Creating a Credit Linked Notes (CLN)
- ❑ Building a Collateralised Debt Obligations (CDO)
- ❑ Balance Sheet vs Arbitrage Deals
- ❑ Cash flow vs Synthetic Instruments
- ❑ Credit Default Swaps (CDS) Prime
- ❑ Total Return Swaps (TRS)
- ❑ Equity Linked Notes (ELN)

### ❑ Session VIII: Credit Risk Management (CRM)

- ❑ Credit Default Swaps (CDS)
- ❑ Credit Default Swaps – Single Name CDS
- ❑ Credit Default Swaps – Multiple Name CDS
- ❑ Credit Default Swaps – Single Trigger, Multi Trigger CDS

### ❑ Session VIII: Inflation-Indexed Bonds – Returns

- ❑ Rationale for issuance
- ❑ Market Size
- ❑ Mechanics explained US Treasury Inflation-Protected Securities (TIPS)

### Fixed Income & Credit Derivatives – Beginner Series

- RSA Inflation-linked market
- Real v nominal returns
- What about deflation?
- What are the (hidden) risks
- The role of inflation-linked bonds in portfolio construction

- Live Demonstration of Thomson Reuters, Bloomberg TV, MT4 (Meta Trader 4), MT5 (Meta Trader 5)**
- Course Coverage:** Course to get covered using Webinars, Skype Conference Calls, Audio, Video Calls. Sessions are highly interactive and participants are most welcome to ask any questions during the Course.
- Course Duration:** Course duration is 19 Hrs + 1 Hrs of Complimentary Skype Call which to be taken within 3 months of completion of the Course.
- Pricing:** Rs 25,000 (Indian Rupees)

#### ❖ Course Material

- Course Presentations – 100% interactive, Screenshots, Examples
- International Bank Research Reports
- Live Corporate Case Studies
- Excel Solvers

The course is 100% Practical, Software Oriented in nature. We would be doing the Course using Course Presentation, International Bank Research Reports, Live Corporate Case Studies, Excel Solvers, Live Financial Terminals – MT4 (Meta Trader 4)

By: Rahul Magan

Chairman, Group CEO & PE, Treasury Consulting Group (TCG)  
Owner, Hedge Fund Desk (HFD), Treasury Consulting Group (TCG)

+91 9899242978 (Handheld), +91 9818485155 (Back Office)

## YouTube Channel (Foreign Exchange Maverick Thinkers) -  
<https://www.youtube.com/user/rahulmagan8>

## YouTube Channel (Treasury X) -  
<https://www.youtube.com/channel/UChS6wQzyZd02bHd5w3S0rOg>

## YouTube Channel (Impetus X) -  
<https://www.youtube.com/channel/UC3bPXxADBssdFMwlkphLFFQ/featured>

## Vimeo Video Channel - <https://vimeo.com/rahulmagan>

Treasury Consulting Group (TCG) – A Singaporean Multinational HQ Group (Touching \$ 1 Bn Valuation by Dec'21)  
An Asia Pacific Trainings, Consulting, Publication, Software, Analytics, FI, Technology Implementation Group  
[www.fixedincome.global](http://www.fixedincome.global)