

Structured Equity Products

2 Days

COURSE OVERVIEW

The primary objective of this program is to provide participants with a comprehensive exposure to and analysis of structured equity products. Drawing upon numerous examples, and through the use of case studies, the program will equip the participants with a rigorous understanding of the valuation of vanilla and exotic products, and the means to analyze and engineer a broad spectrum of equity structured products, covering many of the latest innovations.

LEVEL

Intermediate

WHAT WILL I GET OUT OF IT?

By the end of the course participants will be able to:

- Understand the drivers for using structured equity products
- Understand mechanics, pricing and risk characteristics of options, warrants and exotics
- Fully master equity linked structured notes and fund linked structured notes

WHO'S IT FOR?

We strongly advise professionals working in the following areas to attend this course, including:

- Equity derivatives
- Risk management
- Derivatives trading
- Structuring and product development

COURSE CONTENT

Synthetic Equity

- Futures and forwards
- Equity swaps
- Exchange traded funds
- Underlyings
- Single stock
- Baskets/indices

Pricing and Risk Characteristics

- Cash vs. future fair value
- Covered vs. Uncovered structures
- Dividend impact and risks
- Dilution
- Risks: delta and basis risk

Key Drivers for Structured Equity Products

- Accounting treatment
- Regulatory/tax arbitrage
- Access and Funding
- Dividend capture strategy
- Portable alpha

Equity Structured Products: Access Products

- Equity-linked notes
- Discount certificates
- Trackers and synthetics

Equity Derivatives: Options, Warrants and Exotics

- European/American
- Single stock vs. basket
- Valuation and risks
- Risk reduction strategies
- Yield enhancement
- Over- and under-writing
- Volatility and correlation trading strategies
- Path dependency exotics
- Barriers, Asian, Look-back
- Digital/Binary
- Multi-asset options: quanto, rainbow, basket and spread-based payoffs

Equity-Linked Notes: Investment Rationale

- Yield enhancement
- Capital growth/income
- Leverage
- Principal protection
- Access

Structured Note: Non-Capital Guaranteed

- Delta 1.0 structures
- Discount certificates
- Bonus certificates
- Reverse certificates

Capital Guaranteed Equity-Linked Notes

- Basket notes
- Asian quanto structures
- Hybrids
- Altiplano structures

Equity-Linked Coupon Notes

- TARNs
- Out-performance notes
- "Best-of" and "Worst-off"

CPPI Products

- CPPI-linked notes: structured product design and engineering
- Pricing and valuation
- Investor risk and return characteristics
- Arranger risk
- Management issues
- Liquidity risk

Fund-Linked Products

- Use of equity TRS
- CFO structures
- Fund-linked structured products
- CPPI-linked notes
- CPPI variant
- Risk management
- Key risks to arrangers and investors