

META Financial Education

Transformative learning made simple!



Financial Markets, Compliance & Regulation, Personal Development

We are a team of learning experts. Passionate about learning.

We help our clients **learn about markets**, the ever-changing and complex **regulatory landscape** and how to achieve their personal best, manage their careers and **develop their people**.

Trusted By



FX Hedging and Derivative Strategies Course Overview

Explore in this course the principles, techniques and derivative instruments for FX hedging and structuring, including the use of exotic options. Learn important concepts related to the following terms:

Topics

- FX forwards
- Cross currency swaps
- Foreign investment
- Option strategies
- Barrier options
- Balance sheet hedging
- Principal protected notes
- FX swaps
- Carry
- FX options
- Exotic options
- Binary options
- P/L hedging
- Dual currency deposits

Format

Delivery options	<ul style="list-style-type: none"> • Classroom session (half day) • Virtual classroom (series of 1 to 1.5-hour webinars) • In-house
Option 1: Open course classroom	You attend alongside other market participants £495
Option 2: Virtual classroom	You attend alongside other market participants via an interactive online classroom £395
Option 3: In-house	This course can be tailored specifically for your organisation and delivered at your offices, offering a cost effective solution for more than 5 employees.

Course Details

FX Hedging and Derivatives Strategies at-a-glance

- Foreign investments are exposed to FX risk. How can we hedge the FX exposure? If we hedge, does it mean we are able to preserve the return of the assets? In other words, how will the value of the combined positions react to changes in the value of the underlying assets and liabilities, foreign exchange rates and interest rates? Is it better to hedge or not to hedge? What is the difference between hedging using forwards and hedging using options? How are exotic options useful, for example, in corporate hedging? What about embedding FX derivative strategies in structured products? Attend this class to find out the answers to these important questions
- Learn in this class an intuitive way to understand the P/L of an FX hedged investment by thinking about the pricing of an FX forward based on carries, the so-called interest rate parity
- Learn in this class the importance of managing the cash flow in corporate hedging and the use of exotic options
- Learn in this class the basic FX structured products and their exotic variations catering to varying value objectives

*Pre-requisite:

Participants are expected to be familiar with the basics of FX, FX forwards and FX options

Who should attend?



People who are looking for a comprehensive and insightful exposition of how FX hedging and structuring can be implemented using various FX derivatives, including exotic options



Financial market professionals such as portfolio managers, salespeople and traders who are looking for a systematic refresher about how FX derivatives are used for hedging and structuring



Professionals in support functions such as operations, technology, risk and financial controls of financial institutions who work with trades related to the implementation of these strategies

What's covered?

What's covered?	
Content	Exercises & application
<ul style="list-style-type: none"> • FX forwards and FX swaps <ul style="list-style-type: none"> ➢ Think about pricing in terms of carry ➢ The P/L of a hedged position 	<ul style="list-style-type: none"> • Class quiz: what is the P/L of the hedged portfolio?
<ul style="list-style-type: none"> • Hedging a cross border investment portfolio <ul style="list-style-type: none"> ➢ What does FX hedging preserve for an equity portfolio? ➢ What does FX hedging preserve for a bond portfolio? ➢ To hedge or not to hedge: what to consider? ➢ Other hedging objectives: reduce volatility? 	

<ul style="list-style-type: none"> • Using options <ul style="list-style-type: none"> ➤ Brief review of option strategies ➤ Typical uses of option strategies in hedging and taking views ➤ Exotic options: barrier options, binary options 	
<ul style="list-style-type: none"> • Corporate hedging <ul style="list-style-type: none"> ➤ Balance sheet hedging and P/L hedging ➤ Can a hedge book blow up: managing cash flow ➤ How are exotic options useful in hedging: reducing premium outlay, cater to more specific objectives 	
<ul style="list-style-type: none"> • FX Structured products <ul style="list-style-type: none"> ➤ The fundamental structures: dual currency deposits/notes and principal protected deposits/notes ➤ Variation using exotic options to meet specific investor objectives: more exposure or participation; more protection... 	<ul style="list-style-type: none"> • Class exercise: modifying the structure using exotic options

The “META” approach to FX Hedging and Derivatives Strategies ...what makes our course unique

- This class goes beyond the discussion of the forward trades needed to hedge foreign investments and investigates the ongoing marked-to market P/L of all the positions, leading to an important conclusion about the effect of hedging
- This class introduces exotic options by showcasing how they are used in hedging and structured products
- This class focuses on an informative and conceptual overview of a sophisticated subject and avoids going into unnecessary technical details in order to provide an enlightening experience for the participants
- This class is presented by a former market practitioner who is also an experienced teacher; it includes real life examples and interactive class exercises

Meet Your Trainer:



Kai Hing Lum

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Financial Markets

Kai Hing is an expert financial markets educator.

Kai Hing held several roles during his 21-year tenure at UBS across audit, in which he focused on trading and derivative businesses; and a specialized team responsible for the structuring and risk assessment of complex trades and new businesses.

Equipped with both broad and detailed understanding of finance, Kai Hing then joined the renowned UBS Financial Markets Education team and took on global responsibility to manage programs, create content and teach courses to colleagues and clients on a wide range of topics on equities, fixed income, FX, derivatives, equity valuation, portfolio analysis, risk control frameworks and methodologies.

As an experienced presenter with energetic and enthusiastic presentation style, coupled with a deep understanding of the subjects from his practical experiences, Kai Hing constantly receives high praise from his audience.

Before his career in the financial industry, Kai Hing taught and did research in mathematics after obtaining his Ph.D. in mathematics from the University of Chicago.

Kai Hing leads on our Financial Markets offerings.