

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



Linear Interest Rate Strategies Course Overview

Explore in this course the typical interest rate trading and investing strategies based on the shape of the yield curve and how they are implemented using securities and derivatives. Learn important concepts related to the following terms:

Topics

- Cash flow
- Duration and DV01
- Yield curve positioning
- Zero duration ETFs
- Interest rate swaps
- Conversion factors
- Cheapest to deliver
- Roll down
- Risk premium
- Interest rate hedging
- Steepeners and flatteners
- Bond futures
- Delivery price
- Bond futures basis

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

Linear Interest Rate Strategies at-a-glance

- As the name suggests, a fixed income investment aims to collect an income from its investments such as bonds. Is holding to maturity the best strategy? If not, what is the price effect to return rolling the positions? If interest rates are expected to rise, should investors shorten the duration of their investments? Is trading based on a view that the yield curve will steepen about income? A linear strategy is based on underlying prices, rates or spreads going higher or lower; one such strategies involves treasury bond futures basis; what is it and how is it related to the yield curve? Attend this class to find out the answers to these important questions related to fixed income
- Learn in this class how interest rate risk premium is harvested using the “roll down the curve” strategy and how to decompose investment return into income, price effect due to roll down and rate move
- Learn in this class interest rate hedging using swaps and zero duration ETFs
- Learn in this class trading strategies for implementing views about the shape of the yield curve
- Learn in this class the structure of bond futures and what bond basis trading does

*Pre-requisite:

Familiarization with interest rate and bond calculations, especially the concepts of yield, duration and PVBP (or DV01)

Who should attend?



People who are looking for a comprehensive and insightful exposition of interest rate strategies



Financial market professionals such as portfolio managers, salespeople and traders who are looking for a systematic refresher about what they have been doing all along



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"> • Value propositions <ul style="list-style-type: none"> ➤ Alpha: trading on superior information ➤ Beta: warehouse risks to earn a risk premium 	
<ul style="list-style-type: none"> • Rolling down the curve <ul style="list-style-type: none"> ➤ Why is a yield curve usually upward sloping? ➤ Return attribution: carry, price effect due to roll down and rate move ➤ Which part of the yield curve do you like? 	<ul style="list-style-type: none"> • Return attribution and yield curve positioning class exercise
<ul style="list-style-type: none"> • Managing risk of a bond portfolio <ul style="list-style-type: none"> ➤ Hedging interest rate risk ➤ Duration and credit positioning of the portfolio ➤ Zero duration ETFs ➤ To hedge or not to hedge? 	

<ul style="list-style-type: none">• Curve plays<ul style="list-style-type: none">➤ Steepeners and flatteners➤ Butterfly trades➤ An example: it's all about the price, not income	<ul style="list-style-type: none">• Steepening / flattening trades using swaps class exercise
<ul style="list-style-type: none">• Bond futures<ul style="list-style-type: none">➤ Structure of the contract: eligible bonds, conversion factors, delivery price, basis, cheapest to deliver➤ Bond basis trading: it is about the level and steepness of the yield curve➤ Bond basis trading is like option trading	<ul style="list-style-type: none">• Steepening / flattening trades using bond futures class exercise

The "META" approach to Linear Interest Rate Strategies ...what makes our course unique

- Uses a holistic and systematic way to understand various interest rate strategies and connect them to value propositions: to trade on superior information (alpha) or to invest and earn a risk premium (beta)
- Includes a proprietary example explaining which part of the yield curve, based on the steepness, is most effective for harvesting interest rate risk premium
- Leverages an effective exposition of the complex subject of bond futures basis trading
- Focuses 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

kaihing@metafe.co.uk

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.