

Introduction

The course is a joint program by the HKUST Finance Department and Thomson Reuters Markets Academy. It is designed to give students first hand experience in using one of the key analytic and trading systems in the financial market – Reuters 3000 Xtra. The course will cover major financial instruments traded in the markets for securities, foreign exchange, money market and fixed income, and the focus will be on the price evaluation and trading practices of these instruments. It will also show students how to download these data into other applications for analysis.

Target Students

The class will be available to business students, with priority given to third-year business students majoring in finance. Prerequisite: FINA 292 or FINA 221

Class Size and Format

There will be one hour pre-session preparatory workshop conducted by Financial Trading Laboratory and no lectures given by HKUST faculty. Trainers from Thomson Reuters will provide demonstration of Reuters 3000 Xtra. The maximum enrolment is limited to 30 students.

Class Venue and Schedule

All four training modules are conducted at the HKUST Financial Training Laboratory in Room 4117 (near Lift 19) on 12, 14, 19, 21 January 2010 at 2:00-5:30pm.

12 Jan 2010, Tue	Xtra Focus: FOREX and Money Market
14 Jan 2010, Thu	Xtra Focus: Fixed Income and Credit Derivatives Markets
19 Jan 2010, Tue	Xtra Focus: Equity and Equity Derivatives Market
21 Jan 2010, Thu	Data Downloading and Manipulation

Requirements

The course will be graded pass or fail. The grade will be based on class attendance. Full attendance is required. Upon completion of ALL four modules, students will be awarded a joint certificate from the Thomson Reuters Markets Academy and the HKUST Business School.

Topics

Xtra Focus: FOREX and Money Market

This workshop is designed for users who are interested in FX and Money Market information. It shows you how to access FX/MM data, news and analytical tools in the most effective way. It focuses on the basics of foreign exchange and money markets and common FX & money market instruments, such as interbank deposit, FX forward, outright and FRA.

Topics covered:

Pre-session preparatory workshop:

- Review of Reuters 3000 Xtra key components

Thomson Reuters Session:

- Introduction to basics of Foreign Exchange & Money Market instruments
- Describe market conventions and trading practices of FXMM instruments
- Pricing of FXMM instruments (deposit, FX forward, outright and FRA) using Reuters 3000 Xtra analytical models

Xtra Focus: Fixed Income and Credit Derivatives-Markets

This workshop is designed for Fixed Income users who would like to focus on getting Fixed Income Market (including Credit Derivative) related information and analytical tools. It introduces you to the basics of bonds, such as government and corporate bonds. In particular, you will learn about the pricing of bonds and the relevance of credit quality. It will also explain what credit derivatives are and examine a basic credit derivative transaction.

Topics covered:

Pre-session preparatory workshop:

- Introduce the basics of a bond and evaluate bonds using Reuters 3000 Xtra analytical models
- Construct your bond strategies using Reuters 3000 Xtra analytical models

Thomson Reuters Session:

- Explain bond ratings & the relevance of credit risk and rating on bond prices
- How fixed income instruments are traded
- Review the basics of credit derivatives and outline the basic structures of credit derivatives
- Focus on - CDS Market Overview - Measure of Risk
- Evaluate credit default swaps using Reuters 3000 Xtra analytical models

Xtra Focus: Equity and Equity Derivatives (Options & Warrants) Markets

This workshop is designed for Equity users who would like to focus on getting Equity market (including options & warrants) related information and analytical tools. It provides an introduction to equity markets, from the basics such as how stocks are traded on stock exchanges and comparing global indices. More advanced topics such as analysing the stock price; its trends and its fundamental performance are also covered. You will also learn how to price and trade options, perform in-depth analysis and what-if scenarios of P/L and of the greeks for hedging, risk management, and speculation purpose.

Topics covered:

Pre-session preparatory workshop

- Review of Charting tools

Thomson Reuters Session:

- Review global markets: Analyze global indices and compare their performances
- Analyze stock prices and identify trends via various technical analyses
- Advance Technical Analyses in Reuters 3000 Xtra
- Analyze a stock's fundamental performance & market consensus
- Perform stock and sector comparison using Reuters 3000 Xtra analytical models
- Review option & warrant basics
- Understand historical volatilities & implied volatilities of options and warrants
- Price exchanged traded, OTC options and warrants using Reuters 3000 Xtra analytical models
- Construct relevant option strategies based on basic charting techniques

Data Downloading and Manipulation

This workshop is designed for users who need to download massive amounts of data for manipulation and analysis in Excel. You will learn how to use the tools in PowerPlus Pro, Microsoft Excel and offers a powerful toolkit for retrieving real-time and reference data and analyzing the marketplace, download different types of real time and time series data in securities, foreign exchange, money and fixed income markets.

Topics covered:

Pre-session preparatory workshop

- Download FX & money market live data & history, e.g. spot & cross rates, HIBOR
- Download equity trading and fundamental data, e.g. live stock price & trading volume, annual reports, financial ratios, dividend & capital changes history,
- Download live bond prices and their terms & conditions data, e.g. price, yield, duration, sector, rating history of a bond or an issuer

- Download economic indicators data, e.g. GDP, consumer confidence, interest rate

Thomson Reuters Session:

- Understand the financial pricing functions in PowerPlus Pro (Adfins)
- Managing Stock Portfolio in Excel
- Build your equity OTC option pricing model with PowerPlus Pro in Excel

Other Important Policies / Notes

- You must attend all four modules in order to be awarded the certificate upon completion of the course.
- You must arrive in class at least 10 minutes before class time. Late arrivals disrupt the class and are impolite.
- You will not talk in class except as part of class activities or discussion.
- All mobile phones and pagers must be turned off while in class. If you happen to forget to turn off your phone before class, you must do so immediately or when it rings without answering the call.