Derivatives : Instruments and markets

ECTS : 6

Description du contenu de l'enseignement :

- Introduction to derivative markets and derivative instruments

- The characteristics and the valuation of futures and forward contracts

- Risk management with futures

- The characteristics and the valuation of option contracts

- Swaps and OTC instruments

- Interest rate risk: definition and management with futures contracts

- Credit risk: definition and management with derivative instruments

Compétence à acquérir :

- Understanding, on the basis of concrete examples (commodities, interest rates, equities, ...), the functioning of derivatives markets and their organization (OTC markets / organized markets).

- Explain the use of the main derivative instruments such as futures, options and swaps.

- Master the basics of the evaluation of these instruments.

Mode de contrôle des connaissances :

Mid-term exam : 50%

Final exam: 50%

Bibliographie, lectures recommandées :

- Hull J.C, *Options, futures and other derivatives*
- Hull J.C, *Options, futures and other derivatives : solutions manual*
- The handout associated to the course.