

Fundamentals of Foreign Exchange Trading

Duration: 5 Days

Language: en

Course Code: IND09-103

Objective

Upon completion of this course, participants will be able to:

1. Understand the nature of Foreign Exchange (FX) markets and exchange rates.
2. Describe the different types of FX transactions and how they are used.
3. Explore the four types of Derivatives in detail: Futures, Options, Forwards, and Swaps.
4. Analyse multiple strategies to manage risk in FX trading.
5. Review tips and techniques for FX trading.

Audience

This course is intended for:

- Managers and Supervisors working with Foreign Exchange
- Professionals in Risk Management
- Derivative Traders
- Foreign Exchange Dealers
- Anyone looking to understand Foreign Exchange Trading

Training Methodology

This course uses a variety of adult learning styles to aid full understanding and comprehension. Participants will review case studies to highlight key areas of importance and possible areas for faults. They will be supplied with the best tools required for learning exercises to improve their skills. Participants will analyse the examples to thoroughly understand how these skills, techniques and methods apply in the workplace.

Summary

This course provides a fundamental understanding of how Foreign Exchange (FX) markets function and the instruments used to trade successfully. You will learn about the types of FX transactions and how to manage them.

Exchange rates fluctuate, and to offset the volatility in the market, you will study risk management techniques. Specific attention will be given to hedging strategies, how to use Derivatives to reduce risk, and approaches specific to Options trading. In addition, to support a confident understanding of FX trading, the course includes a section on trading strategies and techniques.

Course Content & Outline

Section 1: Foreign Exchange Markets

- Describe the different foreign exchange rate systems and their variants.
- Discuss market size and the types of FX transactions.
- Understand Forex/FX quotes.
- Distinguish between base and counter currencies.
- Differentiate between big figures and pips.
- Identify the factors that impact FX rates, including the Purchasing Power Parity and Interest Rate Parity theories.

Section 2: Spot Transactions

- Describe the features of FX spot transactions, including the spot FX rate.
- Discuss orders in spot trading and spot trading limits.

Section 3: FX Derivatives

- Identify the types of derivatives and major derivative markets.
- Describe Future transactions and their key uses.
- Explain the impact of margins, market correlation, and ticks on Future transactions.
- Describe Options transactions in the context of FX trading.
- Differentiate between Call and Put Options.
- Understand the risk metrics that impact Options trading: Delta, Gamma, Theta, Vega, and Rho.
- Discuss the differences between European and American FX Options trading.
- Describe a forward exchange contract (FEC).
- Distinguish between a forward contract transaction and a forward rate agreement.
- Describe how to quote a forward contract transaction.
- Calculate a forward exchange rate and assess the costs and benefits.
- Examine premiums, discounts, and points in forward contract transactions.
- Discuss the features of non-deliverable forwards (NDFs).

- Describe the features of FX swap transactions.
- Analyse the advantages of using a swap transaction.
- Distinguish between outright forward transactions and swap transactions.

Section 4: Managing Risk in FX

- Identify the top three exchange rate risks: transaction, translation, and economic.
- Measure and evaluate FX risk.
- Discuss Forward and Spot trading limits.
- Discuss managing risk with derivatives.
- Assess the use, benefits, and risks of using Speculation, Arbitrage, and Securitisation.
- Analyse hedging techniques for risk management:

1. Internal hedging
2. External hedging
3. Forward Exchange Contracts (FECs)

Section 5: FX trading strategies and techniques

- Understand the context of FX: The Six Forces.
- Analyse leading market indicators and their impacts.
- Describe FX forecasting methods.
- Examine the challenges within FX markets.
- Review tips and tricks for successful FX trading.

Certificate Description

Upon successful completion of this training course, delegates will be awarded a Holistique Training Certificate of Completion. For those who attend and complete the online training course, a Holistique Training e-Certificate will be provided.

Holistique Training Certificates are accredited by the British Assessment Council (BAC) and The CPD Certification Service (CPD), and are certified under ISO 9001, ISO 21001, and ISO 29993 standards.

CPD credits for this course are granted by our Certificates and will be reflected on the Holistique Training Certificate of Completion. In accordance with the standards of The CPD Certification Service, one CPD credit is awarded per hour of course attendance. A maximum of 50 CPD credits can be claimed for any single course we currently offer.

Categories

Finance, Accounting & Budgeting, Management & Leadership, Retail and Trade

Tags

Foreign Exchange, FX, exchange, foreign, FEC

Related Articles



Unveiling the Power of HR Assessment: A Comprehensive Guide

Optimize HR functions with key assessment methods, tools, and strategies to drive organisational success through effective HR management.

YouTube Video

https://www.youtube.com/embed/fCrAN4L331w?si=iEjxIzqFfdwfzYuC