



Options Workshop

A one-day intensive options workshop.

Learn about...

- The advantages and disadvantages of options compared to delta one product like futures and forwards.
- Options terminology, trading mechanisms and pricing methodologies.
- Model the profit and loss potential of options and their risk factors in custom Excel templates.
- Learn about the different strategies such as bull and bear spreads, straddles, butterflies, time spreads, ratio spreads, conversions and reversals. Model their payoffs and risk factors.

Course Content

Introduction to Options

- Delta one profiles versus option payoffs
- Option terminology: Calls and Puts.
- Options Mechanics and Trading Conventions
- The Option Premium: Intrinsic and Time Values.
- Basic premium valuation
- Moneyness and Leverage
- Expiry payoffs.



Options Workshop – Modeling Option Payoffs.

Option Pricing and Risk Management

- Pricing options prior to Expiry: An intuitive approach
- Option Models: Black Scholes, BOPM and Monte Carlo.
- Early exercise considerations
- Volatility: Historical and Implied
- Risk management: The Greeks – Delta, Gamma, Theta, Vega and Rho.
- Portfolio management - Delta hedging: The Gamma/Theta trade-off



Options Workshop – Option Pricing and Greeks Modeling

Option Strategies

- The benefits of option strategies
- Types of option strategies: Bull/Bear Spreads, Butterflies, Straddles, Time spreads, Ratio spreads.
- Identifying Volatility trades versus Directional trades
- Identifying strategy risks: Early exercise, Pin risk and Sticky Strikes.



Options Workshop – Option Building Blocks: Using option strategies to modify payoff and risk