



# Advanced STIR Futures

A one-day advanced course on  
Short-Term Interest Rate futures.

Learn about...

- How they integrate with other money market products like Overnight Index Swaps and FRA's as well as capital market instruments such as bonds and swaps.
- Use STIR futures to hedge, bonds and swap positions.
- Learn about trading STIR futures against other products and be able to identify the ensuing opportunities but also the risks such as credit risk or convexity.
- Construct advanced trading strategies. Use STIR futures as implied financing for carry trades on stock indices or currencies?

DELEGATES SHOULD ENSURE THEY ARE FAMILIAR  
WITH THE BASICS OF STIR FUTURE MECHANICS,  
PRICING AND HEDGING.

# Course Content

## Using STIR futures – Hedging Bonds and Swaps 32

- Introduction to Bonds
- How bond duration differs from STIR duration.
- Hedging bonds using STIR's
- Hedging Bond futures with STIR's
- Swaps and swap risk factors
- Hedging swaps by time buckets
- Adjusting for the convexity bias

## STIR Futures and Money Market Instruments 30

- Types of money market instruments and how they relate to STIR futures
  - LIBOR, EURIBOR, Depos, Overnight Index Swaps, General Collateral Repo, Forward Rate Agreements
- Central Bank Policy Rates
- Inferring market expectations of interest rate changes from STIR futures and other money market instruments.

## Using STIR futures – Trading 38

- Cross-market relative value trading
  - Term spreads with bond futures
  - The choice of Stacks, Packs and Bundles
  - Term spreads with swap futures
  - OIS/STIR
  - Fed funds/Eurodollar
  - Synthetic Index calendar spreads
  - Synthetic FX Calendars



Workshop – Trading strategies: Constructing term spreads and implied financing trades