Complete NISM Derivatives Certification Course

30-Hour Comprehensive Training Program

Course Overview

- **Duration**: 30 hours live classes + 40 hours comprehensive material
- **Schedule**: Friday 6-8 PM, Saturday 10-12 PM (15 weeks) + Wednesday 8-9:30 PM doubt clearing
- **Exam Format**: 150 questions, 180 minutes, 60% passing score, -0.25 negative marking

Module 1: Derivatives Fundamentals & Market Introduction

Week 1 | 2 Hours

Topics Covered:

- Basics of derivatives - definition and functions
- History and evolution of derivatives markets globally and in India
- Types of derivatives - forwards, futures, options, swaps
- Market participants - hedgers, speculators, arbitrageurs
- OTC vs Exchange-traded derivatives
- Risk management and economic functions

Learning Outcomes:

✓ Understanding derivative products and their utility
✓ Distinguish between different derivative instruments
✓ Identify market participants and their roles

Module 2: Currency Markets & Exchange Rate Mechanics

Week 2 | 2 Hours

Topics Covered:

- Foreign exchange market structure and participants
- Major currency pairs and quotation conventions
- Base currency vs quotation currency concepts
- Exchange rate arithmetic and cross rates

- Two-way quotes and spread calculations
- Market timing and settlement mechanisms

Learning Outcomes:

✓ Calculate cross rates and exchange rate conversions
✓ Understand FX market structure and operations
✓ Interpret currency quotations and spreads

Module 3: Interest Rate Concepts & Fixed Income Securities

Week 3 | 2 Hours

Topics Covered:

- Interest rate fundamentals and term structure
- Fixed income securities - types and characteristics
- Government securities, corporate bonds, money market instruments
- Yield calculations - current yield, YTM, spot rates
- Bond pricing and valuation concepts
- Duration and convexity measures

Learning Outcomes:

✓ Calculate bond prices and yields
✓ Understand interest rate risk measures
✓ Analyze fixed income securities

Module 4: Equity Markets & Index Construction

Week 4 | 2 Hours

Topics Covered:

- Equity market structure and indices
- Index construction methodologies
- Market capitalization vs price-weighted indices
- Major Indian indices - Nifty, Sensex composition
- Index management and rebalancing
- Corporate actions impact on indices

Learning Outcomes:

✓ Understand index calculation methods
✓ Analyze impact of corporate actions
✓ Calculate index values and returns

Module 5: Currency Futures & Contract Specifications

Week 5 | 2 Hours

Topics Covered:

- Currency futures contract specifications
- Contract size, tick size, expiry cycles
- Margin requirements and mark-to-market
- Currency futures pricing using interest rate parity
- Payoff profiles for long and short positions
- Practical examples with USDINR, EURINR contracts

Learning Outcomes:

✓ Calculate currency futures fair value
✓ Understand margin and settlement mechanisms
✓ Draw payoff diagrams for currency futures

Module 6: Interest Rate Futures & Government Securities

Week 6 | 2 Hours

Topics Covered:

- Interest rate futures contract specifications
- Government securities futures pricing
- Clean price vs dirty price concepts
- Conversion factor calculations
- CTD (Cheapest to Deliver) bond identification
- Hedging with IRF contracts

Learning Outcomes:

✓ Price interest rate futures contracts
✓ Calculate conversion factors
✓ Implement hedging strategies using IRF

Module 7: Equity Futures - Pricing & Strategies

Week 7 | 2 Hours

Topics Covered:

- Stock and index futures contract specifications
- Cost of carry model for equity futures pricing
- Impact of dividends on futures pricing
- Calendar spreads and inter-commodity spreads
- Basis convergence and arbitrage opportunities
- Practical pricing examples

Learning Outcomes:

✓ Calculate theoretical futures prices
✓ Identify arbitrage opportunities
✓ Implement calendar spread strategies

Module 8: Options Fundamentals & Greeks

Week 8 | 2 Hours

Topics Covered:

- Options basics - calls and puts
- Intrinsic value and time value concepts
- Moneyness - ITM, ATM, OTM
- Option Greeks - Delta, Gamma, Theta, Vega, Rho
- Black-Scholes model components
- Implied volatility concepts

Learning Outcomes:

✓ Calculate intrinsic and time values
✓ Understand option sensitivities (Greeks)
✓ Interpret implied volatility changes

Module 9: Option Strategies - Basic Positions

Week 9 | 2 Hours

Topics Covered:

- Long and short call positions
- Long and short put positions
- Payoff diagrams and breakeven calculations
- Risk-return profiles for each position
- When to use each strategy
- Practical examples with current market data

Learning Outcomes:

✓ Draw payoff diagrams for basic positions
✓ Calculate breakeven points
✓ Select appropriate basic strategies

Module 10: Advanced Option Strategies

Week 10 | 2 Hours

Topics Covered:

- Straddles and strangles - long and short
- Bull and bear spreads using calls and puts
- Butterfly spreads and condor spreads
- Collar strategies and protective puts
- Covered calls and synthetic positions
- Strategy selection based on market outlook

Learning Outcomes:

✓ Implement complex option strategies
✓ Analyze multi-leg option positions
✓ Optimize strategies for different market conditions

Module 11: Trading Systems & Risk Management

Week 11 | 2 Hours

Topics Covered:

- Exchange trading systems and order types
- Clearing and settlement mechanisms
- Margining systems - SPAN, VaR models
- Position limits and exposure limits
- Circuit breakers and surveillance systems
- Risk management for different participant types

Learning Outcomes:

✓ Understand trading and settlement processes
✓ Calculate margin requirements
✓ Apply risk management principles

Module 12: Hedging Strategies Across Asset Classes

Week 12 | 2 Hours

Topics Covered:

- Currency risk hedging for importers/exporters
- Interest rate risk hedging for bond portfolios
- Equity portfolio hedging with index futures
- Cross-hedging techniques
- Hedge ratio calculations and effectiveness
- Dynamic hedging concepts

Learning Outcomes:

✓ Design hedging strategies for different risks
✓ Calculate optimal hedge ratios
✓ Evaluate hedge effectiveness

Module 13: Arbitrage & Market Efficiency

Week 13 | 2 Hours

Topics Covered:

- Cash-futures arbitrage opportunities
- Calendar spread arbitrage
- Put-call parity and conversion arbitrage
- Inter-exchange arbitrage
- Currency arbitrage opportunities
- Transaction costs and execution challenges

Learning Outcomes:

✓ Identify arbitrage opportunities
✓ Calculate arbitrage profits
✓ Understand execution complexities

Module 14: Regulatory Framework & Compliance

Week 14 | 2 Hours

Topics Covered:

- SEBI regulations for derivatives trading
- RBI guidelines for currency and interest rate derivatives
- Participant eligibility and membership criteria
- Position limits and reporting requirements
- Accounting and taxation of derivatives
- Investor protection measures

Learning Outcomes:

✓ Understand regulatory requirements
✓ Ensure compliance with position limits
✓ Apply correct accounting treatment

Module 15: Exam Preparation & Practice

Week 15 | 2 Hours

Topics Covered:

- Comprehensive revision of key concepts
- Numerical problem-solving techniques
- Exam strategy and time management
- Mock test discussion and analysis
- Last-minute tips and clarifications
- Common mistakes to avoid

Learning Outcomes:

✓ Apply comprehensive knowledge
✓ Solve problems efficiently
✓ Maximize exam performance

Key Course Features

Flash Cards for Daily Practice

- 30 flash cards covering 60 most important concepts
- Spaced repetition methodology for better retention
- Focus on formulas, definitions, and key relationships

Comprehensive Question Bank

- **Easy Questions**: 80 questions covering basic concepts
- **Moderate Questions**: 70 questions with application-based problems
- **Hard Questions**: 50 questions with complex scenarios
- All questions include detailed explanations and solutions

Numerical Problem Mastery

- 20 most important numerical question types
- Step-by-step solutions with clear methodology
- Real-world examples and practical applications
- Formula derivations and concept explanations

Live Interactive Sessions

- **Friday Evening Sessions**: 6-8 PM - Core concept delivery
- **Saturday Morning Sessions**: 10-12 PM - Problem solving and practice
- **Wednesday Doubt Clearing**: 8-9:30 PM - Individual query resolution

Additional Resources

- Comprehensive study notes (40 hours of material)
- Mock tests with exam simulation
- Performance tracking and analytics
- Mobile app for on-the-go learning

Success Methodology

Learning Approach

1. **Conceptual Understanding**: Build strong foundation
2. **Practical Application**: Real-world problem solving
3. **Exam Technique**: Time management and strategy
4. **Continuous Assessment**: Regular testing and feedback

Study Schedule Recommendation

- **Pre-class**: Review flash cards (15 minutes daily)
- **During class**: Active participation and note-taking
- **Post-class**: Practice numerical problems (30 minutes)
- **Weekly**: Complete mock tests and review performance

Exam Strategy

- **Time Allocation**: 1.2 minutes per question average
- **Question Priority**: Easy → Moderate → Hard
- **Negative Marking Management**: Educated guessing techniques

- **Calculator Usage**: Efficient calculation methods

Course Outcomes

Upon successful completion, participants will:

1. **Master Core Concepts**: Comprehensive understanding of derivatives across all asset classes
2. **Excel in Numericals**: Solve complex pricing, hedging, and strategy problems
3. **Apply Practical Knowledge**: Real-world application of derivatives concepts
4. **Pass with Confidence**: Achieve 70%+ scores in NISM certification exams
5. **Professional Competency**: Industry-ready knowledge and skills

Contact Information

For course enrollment and queries:

- **Duration**: 15 weeks intensive program
- **Commitment**: 4.5 hours per week (live sessions + self-study)
- **Certification**: Multiple NISM Series preparation (I, IV, VIII)
- **Support**: Continuous doubt clearing and mentoring

This comprehensive course is designed by finance professionals with extensive NISM certification experience and market expertise.