MAWA EVENTS

Address: No. 857, Block A2. Leisure Commerce Square - No 9., 46150 Petaling Jaya, Selangor, Malaysia

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EQUITY INDEX FUTURES: AN INTRODUCTORY GUIDE

"Understanding the Fundamentals, Trading Mechanics & Strategic Applications of Index Futures"

Schedule

Venue (InHouse)	Fees
At Your Organization Premises	Ask For The Quotation

► **Available delivery methods:** In-House Training

Introduction

Equity index futures are powerful financial instruments used by traders, portfolio managers, and risk managers for hedging, speculation, and strategic asset allocation. This introductory course provides a practical foundation in equity index futures, covering market structures, pricing, trading strategies, and risk management essentials. Participants will gain the tools to effectively interpret, analyze, and utilize index futures in both institutional and retail settings.

Objectives

By the end of this course, participants will be able to:

- Understand the structure and function of equity index futures
- Apply pricing models and identify arbitrage opportunities
- Analyze trading strategies used by professionals
- Evaluate the role of futures in hedging and portfolio management
- Comprehend risk, margining, and clearing mechanisms

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Why Attend

- Gain a thorough understanding of how equity index futures operate in global markets
- Learn practical tools for trading and hedging using index futures
- Develop risk management insights and strategy execution skills
- Build a strong foundation for progressing into advanced derivatives study
- Engage in case-based simulations for hands-on application

Target Audience

This program is designed for:

- Junior traders and sales staff
- Investment analysts and fund managers
- Finance and treasury professionals
- Operations, risk, and compliance teams
- Anyone new to equity index futures or derivatives

Individual Benefits

Key competencies that will be developed include:

- Market literacy in futures contracts and mechanics
- Pricing and valuation of equity index futures
- Strategy selection and implementation
- Effective use of futures for hedging equity exposure
- Understanding of margin, leverage, and clearing

Organizational Benefits

Upon completing the training course, participants will demonstrate:

- Improved risk and hedge management in equity portfolios
- Stronger derivatives desk capability and client interaction
- Enhanced decision-making using market-based instruments
- Better alignment with regulatory and risk control practices
- Readiness for more complex structured product applications

Instructional Methodology

The course incorporates:

- Expert-led Lectures – Key concepts with live illustrations
- Interactive Case Studies – Trading simulations and market events
- Hands-on Exercises – Pricing, arbitrage, and margining tasks
- Group Discussions – Strategy review and peer learning
- Practical Tools – Checklists, trade flow charts, and margin templates

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Course Outline

DETAILED 5-DAY COURSE OUTLINE (Customizable)

Training Hours: 07:30 AM – 03:30 PM Daily Format: 3–4 Modules | Breaks: 09:30 & 11:15 | Lunch: 01:00 – 02:00

Day 1: Introduction to Equity Index Futures

- Module 1: Understanding Futures Markets (07:30 – 09:30)
- Derivatives overview and classification
- Role of futures in financial markets
- Difference between equity futures and stock options
- Module 2: Equity Index Construction (09:45 – 11:15)
- Overview of major indices (S&P 500, FTSE 100, MSCI)
- Index calculation methodologies
- Impact of index rebalancing on futures
- Module 3: Contract Specifications & Participants (11:30 – 01:00)
- Futures contract anatomy: tick size, expiry, multipliers
- Market participants: hedgers, speculators, arbitrageurs
- Role of exchanges and clearing houses

Day 2: Pricing, Valuation & Margin Mechanics

- Module 4: Futures Pricing and Cost of Carry (07:30 – 09:30)
- Theoretical pricing models
- Basis and convergence
- Fair value analysis
- Module 5: Arbitrage Opportunities (09:45 – 11:15)
- Cash-and-carry arbitrage
- Reverse arbitrage and pricing inefficiencies
- Practical examples of arbitrage strategies
- Module 6: Margining and Clearing (11:30 – 01:00)
- Initial and variation margin
- Role of the clearinghouse and daily mark-to-market
- Leverage, margin calls, and risk implications

Day 3: Trading & Strategy Fundamentals

- Module 7: Hedging with Equity Index Futures (07:30 – 09:30)
- Portfolio hedging principles
- Beta adjustment and hedge ratio
- Dynamic vs. static hedging techniques
- Module 8: Directional and Speculative Trading (09:45 – 11:15)
- Using futures to express market views
- Long/short and spread trading
- Risk-reward analysis in speculative positions
- Module 9: Trading Case Study Simulation (11:30 – 01:00)
- Simulated trading session with real index data
- P&L analysis and performance review
- Lessons learned and trader behavior feedback

Day 4: Market Dynamics and Risk Considerations

- Module 10: Market Microstructure & Liquidity (07:30 – 09:30)
- Order types and trade execution
- Role of market makers
- Impact of volatility and macro events
- Module 11: Risk Management and Stress Scenarios (09:45 – 11:15)
- Measuring and managing futures risk
- Stress testing index futures positions
- Regulatory capital and exposure reporting
- Module 12: Clearinghouse Risk Controls (11:30 – 01:00)
- Default waterfalls and guarantee funds
- Role of CCPs in systemic risk reduction
- Clearing member requirements

Day 5: Practical Application and Review

- Module 13: Equity Futures in Asset Allocation (07:30 – 09:30)
- Tactical and strategic uses in portfolio management
- Overlay strategies and equitization
- Examples from institutional investors
- Module 14: Global Futures Exchanges and Products (09:45 – 11:15)
- CME, Eurex, ICE, SGX, NSE futures
- Understanding global index futures ecosystem
- Cross-border trading implications
- Module 15: Wrap-Up and Application Workshop (11:30 – 01:00)
- Review of core concepts
- Group discussion: constructing a sample futures trade
- Final Q&A and action planning

Certification

Participants will receive a **Certificate of Completion in Equity Index Futures: An Introductory Guide**, demonstrating their foundational expertise in trading, pricing, and risk management of equity index futures.

Why Choose MAWA Events

- **Global Expertise:** More than 17 years of experience in professional training and consulting.
- **Industry-Leading Faculty:** Courses delivered by seasoned professionals with hands-on experience.
- **Practical Insights:** Learn to turn theory into actionable strategies for real-world business impact.
- **Client-Focused Solutions:** Customized programs designed to achieve your organisation’s unique goals.

In-House / Customized Training Interested in running this course for your team? Please contact us:	TEL: **+601116373203**	EMAIL: **info@mawaevents.net**

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