

## FINANCIAL MARKETS (ADVANCED) MODULE

### ➤ **Financial Markets, Products & Institutions**

- A. Financial Markets
- B. Financial Products and Market Entities
- C. Market Infrastructure Institutions
- D. Conflicts of Interest

### ➤ **Quantitative Background to Debt**

- A. The Nature of Debt
- B. The Price of a Debt Security
  - Perpetual Debt
  - Discount Instrument
  - Coupon Instrument
- C. Price-Yield Relationship of a Debt Security
- D. Modified Duration of a Debt Security

### ➤ **Debt – Investment Drivers & Approaches**

- A. Interest Risk
  - Forward Rates
  - Yield Curve Estimation
  - Shape of Yield Curve
  - Debt Portfolio Structures
- B. Credit Risk & Yield Spreads
  - Assessment of Sovereign Debt Servicing Ability
  - Assessment of Private Debt Servicing Ability

- Credit Rating
- Structured Obligations
- Yield Spread & Changes in Credit Risk

➤ **Financial Statements: Analysis & Projections for Equity**

A. Financial Statement Analysis

- Revenue, Cost & Margin Structure
- Capital Efficiency
- Dividend Yield
- Price – Earnings Ratio

B. Financial Projections

➤ **Equity – Valuation & Investment Decisions (Part 1)**

A. Required Rate of Return on Equity

B. Weighted Average Cost of Capital (WACC)

C. Fundamental Valuation Approaches

- Dividend Discounting
- Free Cash Flow
- Enterprise Value
- Earnings Multiple
- Price to Book Value Multiple

D. Margin of Safety

➤ **Equity – Valuation & Investment Decisions (Part 2)**

A. Economy & Industry Analysis

- Economy Analysis
- Industry Analysis

B. Top-Down or Bottom-up?

C. Technical Analysis

➤ **Derivatives**

A. Background

B. Interest Rate Futures

C. Credit Default Swaps (CDS)

D. Currency Futures

E. Currency Options

F. Equity Futures & Options

➤ **Alternate Assets & Structured Products**

A. Alternate Assets

- Gold
- Real Estate

B. Structured Products

- Portfolio Insurance
- Risks
- SEBI Regulations

➤ **International Markets**

A. Depository Receipts

B. International Stock Indices

- S&P 500 Index (SPX)
- Dow Jones Industrial Average (INDU)
- NASDAQ Composite Index (CCMP)
- EURO STOXX 50 Price Eur (SX5E)
- FTSE 100 (UKX)

- Deutsche Borse AG German Stock Index DAX (DAX)
- Nikkei 225 (NKY)
- Tokyo Stock Exchange Tokyo Price Index TOPIX (TPX)
- Hong Kong Hang Seng Index (HSI)

C. Feeder Funds

D. Trading in Global Markets through NSE

- Futures & Options
- Exchange Traded Funds (ETFs)

➤ **New Paradigms in Regulation of Financial Markets**

A. Market Infrastructure Institutions

B. Alternate Investment Funds

C. Standardisation of Rating Symbols and Definitions

D. Investment Advisers

E. Commission on Public Issues of Debt

F. Merchant Bankers' Track Record

G. Algorithmic Trading

H. Outsourcing by Intermediaries

I. Qualified Foreign Investors (QFIs)

J. KYC Registration Agency (KRA)