

Currency Derivatives: A Beginner's Module

➤ **Derivatives as a Risk Management Tool**

Concept of risk; Risk management; Types of traders in the derivatives markets

➤ **Currency Markets**

Exchange rate; Fixed and floating exchange rate regime; Factors affecting Concept of quotes; Tick-size Spreads; Spot transaction and forward transaction

➤ **Currency Futures**

Forward contracts; Futures contracts; Pricing of futures contracts.

➤ **Strategies using Currency Futures**

Hedging, speculation and arbitrage in currency futures

➤ **NSE's Currency Derivatives Segment**

Product definition; Trading underlying versus trading futures; Uses of currency futures at NSE

➤ **Trading, Clearing, Settlement and Risk Management**

Membership; Future contract specifications; Trading system; The trader workstation; Basis of trading; Client-Broker relationship in derivatives segment; Clearing entities; Position limits; Margins; Settlement of contracts.