



# Geometric Progression

We Bring AI to Reality.

## Understanding the Financial Markets

*A detailed introduction aimed at Regulators, Exchanges, Central Banks & Compliance*

### Overview

Embark on a transformative journey through the intricate world of financial markets. Designed both for newcomers embarking on their financial education journey and for those aiming to enrich their existing knowledge, this course simplifies the complexities of the financial markets, making it understandable and relevant to all. What is unique about this course is that its focus is for staff at Regulators, Exchanges or work in compliance.



### Why Choose This Course?

- **Zero to Hero:** Start with the basics of understanding money and advance through to the sophisticated financial markets and investment.
- **Jargon Demystified:** We break down the financial lingo into plain English, helping you navigate the markets with confidence.
- **Expert Insights:** Gain from the presenter's vast market experience, sharing insights and examples that connect academic concepts to the real world.
- **Comprehensive Coverage:** We explore equity, bonds, trading, fund management, FOREX, derivatives, crypto's, the changing role of regulators, exchanges and compliance and much more.
- **Orientated towards Regulators, Exchanges and Compliance**

### Course Highlights:

- **The Big Picture of the markets and core jargon.**
- **Capital Markets Unveiled:** Understand the nuances of raising finance, equity, money markets, bonds and the significance of book-building and road-shows.
- **Trading Essentials:** Master the art of trading with a clear understanding of the jargon and the mechanics of orders, delta hedging, spread trading and high frequency trading.
- **Investment and Risk:** Delve into portfolio management, explore various investment jargon and learn the difference between passive & active investing, alpha and beta & common risk / return measures, VAR etc.
- **Market Analysis Techniques & Risk Management for Banks and Fund Managers.**
- **Global Currency Dynamics.**
- **Derivatives Demystified.**
- **Crypto's.**
- **An Intro to Global Financial Market Regulators, Global Financial Legislation & Agreements.**
- **The World of Exchanges and how it's changing!**
- **An Introduction to Banking.**

Please refer to the detailed agenda attached for more info.



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## What You'll Receive:

- **Comprehensive Course Materials:** Detailed notes & videos covering all topics discussed, ensuring you have a valuable reference to complement your learning journey.
- **Lifetime Access:** Enjoy lifetime access to the **online course materials**, allowing you to refresh your knowledge at any time.

<b>Level</b>	Introduction to Intermediate
<b>Duration</b>	3 Days in-house or 5 Days of 4.5 hours (including breaks) online.
<b>Suitable for</b>	<ul style="list-style-type: none"><li>• Business analysts</li><li>• Professionals</li><li>• Investors</li><li>• Traders</li><li>• Regulators &amp; Compliance Staff</li><li>• Exchange staff</li><li>• Risk Managers</li><li>• Fund Managers &amp; Trustees</li><li>• Graduates and interns.</li><li>• Delegates registered to write CFA® exam, FRM® exam, PRM® exam or RPE.</li><li>• Anyone seeking a greater insight into the financial markets.</li></ul> <p>A certificate is available on request</p>
<b>Pre-requisites</b>	None



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## **Tutor: Mark Raffaelli**

Mark obtained his CFA Charter in 2000 and became fellow member of the Global Association of Risk Professionals (FRM) in 2001. Mark's extensive experience includes:

- Trading in Spot & Derivative Products professionally.
- Development of quantitative financial models for Surveillance, Performance Attribution, Price Validation, Price Models, Risk and Automation.
- Developments of Apps for the investment and insurance industry.
- Machine Learning and Deep Learning with Sklearn, Tensorflow & Pytorch in the Financial Markets for Banks, Asset Managers and general business.
- Time Series Analysis, Regime Change & Optimization with and without AI.
- Strategic implementation of AI.

Those who have attended Mark's courses will know about his passion and ability to cut through jargon, simplify technical issues and provide real life examples.

## **Detailed Agenda**

### **1. The "Big picture" of the markets**

- Understanding money & the concept of "Fiat".
- The Gold Standard.
- Where Economics fits into the markets.
- GDP and the Budget.
- Fiscal Policy & Monetary Policy.
- "Hard" and "Soft" Commodities.
- Spot Trading and the spot convention.
- OTC vs On-Exchange.
- The trade life-cycle & Methods of Trading.
- Settlement conventions such "modified following" etc.
- Bilateral & Multilateral settlement.

### **2. The Capital Markets**

- Raising Finance and starting a business.
- Equity: What it is, how it works and making money from Equity including:
  - Market Value versus Book Value.
  - Cashing-in versus increasing issuance.
  - Ordinary shares versus Preference shares etc.
- Book-building & Road-shows.
- Money markets including:
  - Commercial paper & Treasury Bills.
  - NCD's; JIBAR & LIBOR, SOFR, ZARONIA etc.
- Bonds: What they are and how they work including:
  - Rating agencies and ratings.
  - Yield to Maturity & Yield Curves.
- An introduction to Repos.



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## 3. Trading and all the Trading Jargon

- Agent & Principal.
- Jargon such as “Yours”, “Mine”, “Double”, “Spread”, Choice etc.
- Arbitrage, hedging, speculating, long \ short.
- Delta Hedging in plain English.
- Orders, Algo trading & High Frequency Trading.
- An introduction to spreads.
- Market Abuse & Trading regulations

## 4. Market Analysis & Portfolio management

- Investment versus Speculation.
- Fund Management and the jargon that goes with it.
- Asset Classes.
- The portfolio management process.
- Intrinsic Value & Surprises.
- Introduction to Fundamental analysis, Technical analysis, Quantitative analysis, Economic analysis, Legal analysis & Behavioural analysis etc.
- Indices & how they work.
- ESG and Style investing.
- Passive and Active investing.
- Collective Investment Schemes / Unit Trusts and ETF's.
- Institutional Funds, Hedge funds.
- A brief look at Alpha and Beta.
- Risk & return measures such as Sharpe,  $M^2$ , Sortino, Information ratio etc.

## 5. Retirement Funds.

- Pension and provident funds – what you need to know about retirement!
- Why Retirement Funds are so important in the marketplace.
- Retirement annuities & Preservation Funds.
- The 2 Pot System.
- Regulation 28.

## 6. FOREX

- The jargon of the Forex market and how it works.
- Balance of payments.
- Base, terms and pips.
- Quoting conventions and the crosses.

## 7. Derivatives

- Understanding volatility.
- A review of all the derivatives in plain English.
- Understanding Forwards, Futures and Options.
- Why Derivatives are so important to the Financial Markets.
- Structured Products.



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## 8. Crypto Currencies

- Understanding crypto's in plain English.
  - The double spend dilemma.
  - Peer to peer networks.
  - The Blockchain and Hashing.
  - Consensus and mining.
  - Valuation of Bitcoin: What no-one tells you!
  - Pros and Cons of crypto's.

## 9. Settlement & Securities Operations

- SWIFT and Settlement Jargon.
- Bilateral versus multilateral net settlement.
- What happens after a trade is made.
- The role of the Front Office middle office and back office.
- Trade enrichment, Trade validation & Trade reporting.
- Custodians/ CSDPs.
- Settlement instructions.
- SFIDVP / PVP.
- SAMOS & STRATE.
- Pre & Post trade compliance

## 10. Where Banks and the Reserve Bank fit into the picture.

- The "art" of Banking.
- Commercial Banks.
- Investment Banks & niche banks.
- Introducing XVA
- Reserve Bank requirements And the Basel Accord.
- ALCO
- Monetary Policy implementation (New and Old method).
- A brief look at some important Central Banks

## 11. A brief tour of Financial Market Regulators & Core Agreements

- An introduction to the Global Financial Markets regulators e.g. SEC, ESMA, FCA, CSC, MAS, ASIC etc.
- An introduction to Global Financial Legislation & Agreements regarding money and the Financial Markets e.g. Basel, AML, MifidII, FATCA, GDPR, SOX, IOSCO, FATF & Grey list etc.
- ISDA, ISLA, GMRA, ICMA etc.
- South African Financial regulation in context.

## 12. The World of Exchanges

- A brief history of Exchanges (including SA) to see how it started.
- A look at some global financial market exchanges.
- The impact of Crypto Exchanges.
- South African Exchanges in Context.
- Inward Listings
- Banks and Brokers acting as Exchanges.
- Where is it all going?