



Inflation Linked Derivatives Workshop

Central London 2nd / 3rd / 4th April 2007

This workshop provides THREE booking options

Register to ANY ONE day TWO days or all THREE days of the workshop

Register to ANY TWO days of the workshop and receive £200 discount

Register to ALL THREE workshop days and receive £300 discount

Topics:

Day 1: Introducing Inflation-linked Securities and Derivatives: Introductory / Intermediate

- **Inflation and Inflation-Linked Bonds**
- **Investors and the Demand for Inflation-Linked Products**
- **Inflation-Linked Securities and Derivatives: Perspectives for Traders and Issuers**
- **Inflation Swaps and Inflation-Link Product**
- **Building the Inflation Curve**
- **Structuring Inflation Linked Products**
- **An Introduction to Pricing and Trading Options on Inflation**

Presenter:

David Murphy: rivast Consulting

Day 2: Latest Developments: Inflation-linked Derivatives

- **Inflation-Linked Bonds**
- **Term Structure of Real and Nominal Interest Rates**
- **Pricing Inflation-Linked Derivatives**
- **Comparing Inflation Curve Interpolation Schemes (Extended) Jarrow - Yildirim**
- **Supply/Demand in the Euro HICP Swap Market: Nominal/Linkers Asset-Awap Differentials as a Measure of Demand on Swaps**
- **Seasonality and Fixing Risk: a Ticking Time Bomb? Measuring and Managing these Risks**
- **Correlation Trading: the Future of Inflation Relative Value Trading?**

Presenters:

Jeroen Kerkhof : Vice President, Fixed Income, Morgan Stanley

Stephane Salas: Head of Inflation Trading, Societe Generale

Yildiray Yildirim: Assistant Professor of Finance, Syracuse University

Day 3: Latest Developments: Inflation-linked Derivatives

- **Trading Asset Swaps vs ZC Swaps**
- **Arbitrage Bounds on ASWs**
- **Real vs Nominal Yield Beta**
- **Linking (Real and Nominal) Bond Curves with (Real and Nominal) Swap Curves**
- **From “Linker” Models to “Derivatives” Models**
- **From Static to Dynamic Hedging Strategies**
- **Emerging of Products Indices: Back to the “Initial” Models?**
- **The Combination of Credit Risk and Inflation Risk**

Presenters:

Brice Benaben: Managing Director & Head of Inflation Structuring: Citigroup

Dariusz Mirfendereski: Managing Director & Head of Inflation Linked Trading, UBS

**Day 1: Introducing Inflation-linked Securities and Derivatives:
Introductory / Intermediate:
David Murphy, rivast Consulting**

09:00 – 12:30 / Inflation and Inflation-Linked Bonds

- **What is Inflation? Indices and Calculation**
- **The Economics of Inflation**
- **Basic Inflation-Linked Bond Features**
- **The Universe of Inflation Linked Bonds UK, Eurozone, US, Corporate issuers,**
- **Emerging market issuers**
- **Investors and the Demand for Inflation-Linked Products**

Break: 10:30 – 10:45

Lunch: 12:30 – 13:30

**13:30 – 17:00 / Inflation-Linked Securities and Derivatives:
/ Perspectives for Traders and Issuers**

- **Natural Inflation-Linked Issuers**
- **Inflation and Real Interest Rate Analysis**
- **Inflation Swaps and Inflation-Link Product Structuring**
- **Building the Inflation Curve**
- **Inflation-Linked Retail Products**
- **Pricing and Trading Options on Inflation**
- **Workshop and spreadsheet exercises**

Break:

Afternoon: 15:00 – 15:15

Cocktail Party Tuesday 3rd April: 17:45 – 19:45 (All delegates are invited to the cocktail party)

Day 2: Latest Developments: Inflation-linked Derivatives

09:00 – 12:30 / Introduction to Inflation-linked derivatives

3 hours 15 minutes / Modelling:

/ Yildiray Yildirim, Syracuse University

- **Inflation-linked bonds**
- **Term structure of real and nominal interest rates**
- **Pricing inflation-linked derivatives:**
 - Options
 - Swap and swaptions
 - Futures contracts

10:30 – 10:45 Break

12:30 – 13:30 Lunch

13:30 – 15:30 / Valuing Inflation Derivatives:

2 hours

/ Jeroen Kerkhof , Morgan Stanley

- **Comparing Inflation Curve Interpolation Schemes**
- **(Extended) Jarrow - Yildirim**
- **Market Models**
- **Valuation of Inflation and Inflation Hybrid Products**

Break: 15:30 – 15:45

15:45 – 17:45 / The European Inflation Swaps Market:

2 hours

/ from Exotic to Vanilla in just Two Years:

/ Stephane Salas, Societe Generale

- **Quick review of market developments: from outright prices to barbells and breakeven spreads**
- **Supply/Demand in the Euro HICP Swap market: nominal/linkers asset-swap differentials as a measure of demand on swaps**
- **Asset swap packages: Proceeds or Par/Par? What is the proper measure of credit risk on linkers?**
- **Seasonality and Fixing Risk: a ticking time bomb? Measuring and managing these risks**
- **Correlation trading: the future of inflation relative value trading?**

Cocktail Party Tuesday 3rd April: 17:45 – 19:45 (All delegates are invited to the cocktail party)

Day 3: Latest Developments: Inflation-linked Derivatives

09:00 – 12:30 / Trading Inflation:

3 hours 15 minutes / Dariush Mirfendereski, UBS

- Inflation Market Basics
- Traded Instruments
- Hedging using IL Bonds
- Trading Asset Swaps vs ZC Swaps
- Arbitrage Bounds on ASWs
- Seasonality: New Insights
- Real vs Nominal Yield Beta
- Linking (Real and Nominal) Bond Curves with (Real and Nominal) Swap Curves
- Comparing the Main Markets: UK, Euro-zone, and US
- Client Flows: Interpreting Market Moves
- Generating Trade Ideas

Break: 10:30 – 10:45

Lunch: 12:30 – 13:30

13:30 – 16:45 / Latest Modeling and Hedging Strategies for

3 hours / Inflation Products:
/ Brice Benaben, Citigroup

How the Increasing Liquidity of Inflation Products have changed the Modeling and the Hedging Strategy of Inflation Products.

- Review of the development of the European inflation market
- From “linker” models to “derivatives” models
- The rising importance of seasonality adjustments and “secondary factors” like convexity
- From static to dynamic hedging strategies

Where is the European Inflation Market Heading?

- Review of the new inflation products in connection of new ALM driven players and regulatory changes
- Emerging of products indices: back to the “initial” models?
- Inflation option market: focus on the practice
- The combination of credit risk and inflation risk

15.00 – 15.15 Break

Cocktail Party Tuesday 3rd April: 17:45 – 19:45 (All delegates are invited to the cocktail party)

Workshop Fees:

- Any One day: £999 + UK VAT
- Any Two days: £1798 + UK VAT
(Including £200 Discount)
- All Three days: £2697 + UK VAT
(Including £300 Discount)

30% discount Academic delegates

Delegate details:

Company:	
Name:	
Position:	
Name:	
Position:	
Name:	
Position:	
Department:	
Address:	
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Phone:	
E mail:	
Date:	
Signature:	

To register please fax the completed booking form to:

Fax: +44 (0) 1273 201360

Flight details:

All delegates flying into London on the morning of the event are reminded that they should arrive 30 minutes before the workshop starts for registration. The hotels West End location is approximately 1 hour from all 3 main London airports, Heathrow, Gatwick and City. Returning flights should equally allow for the events finishing time.

Complimentary inbound transfer service:

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By completing of this form the client hereby enters into a agreement stating that if a cancellation is made by fax or writing within two weeks of the event date no refund shall be given. However in certain circumstances a credit note maybe issued for future events.

Prior to the two week deadline, cancellations are subject to a fee of 25% of the overall course cost.

Discount Structure:

The discount is available on any day permutation, and can be combined across delegates within the same company (only at the time of booking and not retrospectively).

Registration:

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