



# A guide to derivatives trading

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## **Objective:**

Derivatives is a useful tool in a time of uncertainty and volatility. Understand how it works, can help you to trade and hedge more efficiently.

Different instruments are designed for specific purposes, stocks for investors and derivatives for traders. Derivatives is one of the best instruments for traders. However, without a good understanding on how it works, potential traders may not be able to sustain through to see results. During the workshop, there will be an in-depth discussion about “Trading” and “Futures” using examples on Stock Index Futures such as the Singapore MSCI Index and others. After this workshop, participants will gain confidence to start exploring derivatives trading.

## **Learning outcome:**

- Find derivatives useful as a trading and hedging instrument
- Choosing the right type for every trader or fund house
- The correct usage on margin or leverage trading

## **Content:**

### **Session 1**

Types of Derivatives

- The different types of derivatives
- What is Futures? How it works?
- Identifying you a trader or an investor – The importance of your identity
- Choosing the right Futures contract to get started
- The attributes in leverage trading
- Handling margin trading – How to avoid margin call
- Advantages of derivatives over cash trading
- Spread trading and roll-over for expiring contract

### **Session 2**

Getting started in derivatives trading

- How to read your Futures account’s Financial Statement
- Types of working orders and its application
- What role does your broker play?
- Skills required to be proficient in trading

### **Session 3**

Evaluation on your suitability

- Evaluation on your suitability with live demonstration

## **The trainer:**



Kon How has more than 20 years of trading experience in the finance industry. His company, Weipedia Private Limited provides consultancy services in developing the financial market in Asia. He is also a SGX Academy professional trainer with Singapore Exchange.

Apart from managing his own fund, he also conducts training sessions for industry practitioners in Singapore, Malaysia, Thailand, China and Hong Kong. These practitioners include regulators, fund managers, professional traders, brokers and their clients.

He studied Engineering but was passionate about investment and trading. This led him to pursue after the financial market after his graduation. He started off as an apprentice in SiMEX and a floor runner in 1995. Since then he had been a floor trader, financial dealer and an active practitioner in the Securities and Derivatives market. In 1999, he studied and graduated with a Bachelor in Business from La Trobe University.

## **Market insight:**

Year 2008 was the turning point in the financial market. Kon How had accurately forecasted the downturn of STI and Dow Jones during the early 2008. He also presented the continual uptrend in the Gold market from USD900 level. Interestingly, he also spotted the turning trend of the Singapore COE car market during that period.

## **His company's belief:**

Knowledge is not power. Applying what you have learned is. We create the bridge!

We believe that every keen investor and trader should have the opportunity to learn about the financial market in a progressive and manageable manner. Regardless of your background and your starting point, if you have the right learning attitude, you too can be a professional in this field!"

## Participated with:



## Testimonies:

### **Attended mainly by bank traders**

*"...conducting an outstanding presentation...response to the seminar was overwhelming with 130 participants. The content of the presentation carries high degree of practicality. Feedback from our members throughout the seminar is positive and encouraging"*

**Mr Jack Cheung,  
CEO of Treasury Market Association  
(Hong Kong)-12 January 2015**

### **Attended mainly by securities and futures licence professionals**

*"...turnout rate of this training was great – about 30 participants (full house) attended" "The participants rated very high of this course and their satisfaction of the course was 4.71 (where 5=very good... The average rating of instructor was 4.88. Well done and thanks for delivery such a great course for us."*

**Ms Ruth Kung,  
Executive Director for Education & Development of Hong Kong Securities & Investment Institute  
(Hong Kong) - 5th November 2014**

### **A retail investor from SGX Academy**

*"Thanks for sharing on the topic of derivatives. It was a good primer for those new to derivatives, including me. Can see your dedication in knowledge sharing and in coming up with good course program...I find your point on "I take risk in investing, but not in trading" rather insightful."*

**Kwek WL, Lab Engineer (Singapore) – 15 Dec 2014**

### **A Retail investor from SGX Academy**

*"...seminar on Derivatives you conducted, I found it informative and useful. The conservative approach to under-trading, understanding and managing risk that you spoke at length appeal to me. What I've realised from your seminar: not to fear volatility, there can be opportunity in volatility."*

**Chew AB (Singapore) – 24 January 2015**

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