Futures and Options Markets
Fall 2010 李存修

Objectives： An introductory course in options and futures required for students majoring in financial engineering program, with additional emphasis on real world practice.

Textbooks： Hull , Options, Futures and Other Derivative Securities, Prentice-Hall International, 7th. ed., 2009. (Required)

Class Meeting： 9:10a~12:10p Wednesday, Room 305, Building Ⅱ

Course Requirements：

1. Midterm exam 35%
2. Final exam 35%
3. Term paper 20%
4. Trading game 10%

Course Website： http://ceiba.ntu.edu.tw/991fom

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Topics：

Week	Date	Topic	Chapter(s)
1	9/15	Introduction to futures market	1,2 Hull
2	9/22	Moon Festival	
3	9/29	Futures pricing	5 Hull
4	10/6	Hedging with futures	3 Hull
5	10/13	Interest rate futures	6 Hull
6	10/20	Introduction to options market	8 Hull
7	10/27	Elementary option trading strategies	10 Hull
8	11/3	General arbitrage relationships	9 Hull
9	11/10	Midterm exam (open book)	
10	11/17	Visiting TAIFEX	
11	11/24	Relevant stochastic calculus	11,12 Hull
12	12/1	Exact option pricing formula	13 Hull
13	12/8	Hedging positions in options/portfolio insurance	17Hull
14	12/15	Numerical procedures for option pricing	19 Hull
15	12/22	Estimating volatilities	18,21 Hull
16	12/29	Interest rate models	30 Hull
17	1/5	Interest rate derivatives	28 Hull
18	1/12	Final exams (open book)	