

High Frequency Correlation Trading for Quantitative Hedge Funds and Traders Professional Masterclass

Essential features of the workshop:

In this two day course, the Workshop Leader, Professor Jay Muthuswamy, will be dealing with the second generation group of trading practices best described as "Correlation Trading". This includes as a special case "Volatility Trading" which is much better known to the financial community.

In this course, the Professor Jay Muthuswamy adopts a step by step approach; where he will motivate the general concept of correlation and review how it affects asset prices. After discussing how it is measured in all its dimensions, -- including high frequency correlation measurements, he will apply it to portfolio theory and options trading. Following that, he will relate the concept to default correlations in the credit default markets. Finally, we will look at some general correlation based trades possible with spreads, basis, pairs, and exotics.

Professor Jay Muthuswamy will conclude the course on a look at what Financial markets have in store for the future of correlation trading, and discuss how new innovative trading practices can be engendered.

Professor Jay himself manages a successful boutique hedge fund and employs many of the strategies taught here.

Take aways from the course:

- Take away the High Frequency Correlation Trading techniques from the expert himself. Professor Jay Muthuswamy is very much a sought after specialist in the area of "High Frequency Data Analysis", and has written a substantial amount of literature in Finance.
- You will leave this workshop with a deeper & stronger understanding of the theory behind the second generation models to accurately forecast correlation.
- You will leave this workshop, acquiring a balanced and realistic view covering all the 'quant', 'trading' & 'academic' aspects in the second generation trading philosophy.
- Detailed course materials and learning to build your own trading models.
- Course highly recommended by Pinnacle Board of Advisors with Certificate of Completion signed by renowned finance professor, Moorad Choudhry.

Available Courses:

Shenzhen, China – 15 & 16 March 2008

Shanghai, China – 18 & 19 March 2008



Course Organiser:



A BUSINESS UNIT OF THE PINNACLE GROUP INTERNATIONAL
(TPGI PTE LTD)

Official Media Partner:



About Your Course Leader



Professor Jay Muthuswamy
PhD (Chicago), MS (Stanford),
MBA (Wharton), B. Sc. (Econ.) Hons (LSE)

Dr. Jay Muthuswamy is currently with Kent State University in the United States. Dr. Muthuswamy holds a PhD from the University of Chicago, an MS from Stanford, an MBA from Wharton, and a bachelors degree from the London School of Economics. His research interests are in the pricing of exotic derivatives, asset price equilibrium, and Financial Econometrics. He has previously been with Singapore Management University, Griffith University, University of Sydney, National University of Singapore, and Duke University. Dr. Muthuswamy serves on the editorial boards of the Journal of Futures Markets, as well as the Review of Futures Markets. Among his many research papers is one co-authored with the late Nobel Laureate Merton Miller to do with the regulation of stock index futures markets. Among other areas, he is currently researching the problems of pricing exotic derivatives when trading is obscured by low liquidity.

Professor Muthuswamy has also previously been (prior to joining academia) a currency trader with Marine Midland Bank, and an Economist with the Development Bank of Singapore. He has also given seminars to North American Hedge funds on high frequency arbitrage methods. Recently, he was a featured keynote speaker at Hedge Funds World conference in Hong Kong against a crowd of over 500 hedge funds professionals.

Registration at 0830. Course starts at 0900.

Programme Outline – Day 1

Session 1: 9.00 am to 10.15 am

Introduction

- Introduction to Correlation trading.
- Motivations for analyzing correlation trading.
- Basic Mathematics and Statistics.
- Second generation trading philosophy.
- Market efficiency theory and correlation trading.

Morning Break: 10.15am to 10.30am

Session 2: 10.30 am to 12.30 pm

- Volatility versus correlation.
- Correlation as a trading parameter.
- Implied volatility and correlations.
- Measuring correlations.
- Forecasting correlations.
- High frequency correlations.
- Risk management of correlations.

Lunch: 12.30pm to 1.30pm

Session 3: 1.30 pm to 3.15 pm

- Basic portfolio theory.

- Portfolio correlations.
- ARCH/GARCH models.
- Portfolio serial correlations and cross-correlations.

Afternoon Break: 3.15pm to 3.30pm

Session 4: 3.30 pm to 5.00 pm

- Options theory.
- Implied standard deviations and correlations.
- Trading option correlations.
- Vega spreads.
- Vegas and Correlation.
- Exotic options involving implied correlations.

Programme Outline – Day 2

Session 5: 9.00 am to 10.15 am

- Using correlation to trade pairs.
- Convergence trading.

Morning Break: 10.15 am to 10.30am

Session 6: 10.30 am to 12.30 pm

- Technical analysis indicators.
- Using technical analysis with correlations.

Lunch: 12.30pm to 1.30pm

Session 7: 1.30 pm to 3.15 pm

- Using correlation to trade pairs. Basis trades.
- Mean reversion in basis spreads.

Afternoon Break: 3.15pm to 3.30pm

Session 8: 3.30 pm to 5.00 pm

- International aspects of correlation trades.
- Price non-synchronicities.
- Useful analogies from Physics.
- Debrief.
- Questions and answers.

Suitable intervals will be taken for breaks and lunch throughout the day, and each day will finish by about 1700 hours.

Due to unforeseen circumstances, the programme may change and TPGI reserves the right to alter the venue and/or speakers

Program Details

- Shenzhen, China – 15 & 16 March 2008**
Normal Fee: **USD 2,000**
Course Venue: *Hotel to be confirmed*
- Shanghai, China – 18 & 19 March 2008**
Normal Fee: **USD 2,000**
Course Venue: *Hotel to be confirmed*

**** Register before 28 February 2008 to enjoy 20% Early Bird Discount**

* *Group Discount: 10% for 2 or more sign-ups from same company.*

* *GST is applicable for all Singapore-based firms.*

* *All prices quoted are nett of taxes. Terms and conditions apply.*

Registration & Enquiries

For more information please contact:

Jane Tang

DID: +65 6332 9878

Email: jane.tang@tpgi.org

Payment Methods & Details

Please indicate your preferred mode of payment:

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Notes:

1. All cheques must be made payable to TPGI Pte Ltd
2. For payment by bank transfer, please quote "High Frequency Correlation Trading", Invoice Number and Participant's Name.
3. The Bank Details are as follows:

Account Name: **TPGI Pte. Ltd.**

USD Account Number: 351-900-086-3

Bank Details: **UOB Bank, 80 Raffles Place, UOB Plaza, Singapore 048624**

Registration Form

Please provide us with the full details of the following:

Company Details:

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Participant's Information:

Participant 1:

Name:

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Mobile:

Participant 2:

Name:

Job Title:

Email:

Telephone:

Mobile:

Participant 3:

Name:

Job Title:

Email:

Telephone:

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Terms & Conditions

1. Registration and Payment

All prices do not include taxes. A place will be confirmed ONLY upon the receipt of your payment made two weeks prior to the course date. TPGI Pte. Ltd. reserves the right to refuse admission if payment is not received on time.

2. Refund & Substitution of Delegates Policy

Regrettably, no refunds can be made for notification that is later than 2 weeks before commencement of the Workshop. If you are unable to attend, a substitute is welcome at no extra charge. Alternatively, your registration can be credited to a future training programme. **All changes to registration must be notified in writing.**

3. Cancellation Policy

TPGI **reserves the right** to cancel or alter the contents and timing of the training programme or the identity of the speaker for reasons beyond its control.

4. Administrative Charge

There will be an *additional 4% administrative charge* for payment using American Express Card, and *additional 4.5% administrative charge for payment using VISA/Mastercard*. All bank charges are to be borne by course participants.

5. Disclaimer

TPGI reserve the rights to change or cancel any part of its published programme and replacement of trainers due to unforeseen circumstances.

Contact our sales representative for more information,

OR simply fill up the form above and fax to us @ +65 6336 9837