Currency Derivatives: A Beginner's Module

- **Derivatives as a Risk Management Tool**
  Concept of risk; Risk management; Types of traders in the derivatives markets

- **Currency Markets**
  Exchange rate; Fixed and floating exchange rate regime; Factors affecting exchange rates;
  Concept of quotes; Tick-size; Spreads; Spot transaction and forward transaction

- **Currency Futures**
  Forward contracts; Futures contracts; Pricing of futures contracts

- **Strategies using Currency Futures**
  Hedging, speculation and arbitrage in currency futures

- **NSE's Currency Derivatives Segment**
  Product definition; Trading underlying versus trading futures; Uses of currency futures at NSE

- **Trading, Clearing, Settlement and Risk Management**
  Membership; Future contract specifications; Trading system; The trader workstation; Basis of trading; Client-Broker relationship in derivatives segment; Clearing entities; Position limits; Margins; Settlement of contracts.