

Federal Reserve Board

Course Description for The Options Institute (CBOE), Chicago

August 2011

Options Institute

The Options Institute Federal Reserve Program is sponsored annually by the Chicago Board Options Exchange (CBO), Chicago

Type of Participant Targeted

This is a supplemental program offered annually to examiners.

Prerequisites

There are no pre-requisites for this program.

Course Overview

Length: 3 Full Days

Cost: *Effective 1/1/2010:* \$775 per attendee. **ALL** participants taking this program are expected to make payment directly to the Chicago Board Options Exchange (CBOE).

Payment Options:

1. **International** - payment is made upon arrival either by cashier check payable in U.S. dollars to (Chicago Board Options Exchange) or credit card, advance payment is not required and a receipt will be issued once payment is received.
2. **Board personnel** - may use their government charge card upon arrival, advance payment is not required or encouraged. A receipt will be issued once payment is received.
3. **State or other agency** - may use their corporate charge card upon arrival, advance payment is not required or encouraged. A receipt will be issued once payment is received.

4. **Banks** are permitted to make payment for their employee no earlier than one week prior to the start of the program.

Location: The Options Institute is located within CBOE on LaSalle and Van Buren Streets in Chicago, Illinois.

Course Description

The Options Institute is the educational unit within CBOE that offers a 3-day seminar on how to use options for risk management. The seminar explains the role of options in modern portfolio management. The curriculum combines lectures, discussions, strategy workshops and trading floor experience.

Day 1 of the program covers essential options concepts, options pricing theory, and options mechanics. In addition, the role of the Options Clearing Corporation is discussed. Also, options strategies for risk management are discussed, as well as, the role of market makers.

Day 2: During the second day, the program covers futures pricing and hedging strategies. Also, index options and foreign currency options are discussed. Participants are introduced to options strategies under simulated market conditions.

Day 3: The final day covers regulatory structure and managing risk using interest rate derivatives, as well as, a visit to the trading floor. Participants view the trading floor from inside the trading pit and have the opportunity to ask questions of brokers on the trading floor.

Post-Course Intervention

None

Class Size

Class size is generally 30.

Instructors

The CBOE provides the instructors who consists of traders and members of the financial and academic communities.