

Dear Colleagues

In the competitive and volatile agricultural commodities market, controlling and minimising your risk is an essential part of day-to-day trading.

It is critical for anyone involved in commodity trade to understand the Futures market and the effect it has on price setting.

“Trading on the South African Futures Exchange (SAFEX) is an exciting and effective way to manage price risk and market exposure in the South African agricultural markets” - Farmwise

Even if you never trade a futures contract, you still need to understand how SAFEX affects YOUR trading, every day.

With this in mind, TMS training have listened to your feedback and designed this course to give you a greater understanding of the futures and options market, and how you can use it to maximum effect.

Register now to benefit from local expertise, with sessions facilitated by industry leaders dealing in all aspects of the futures market

The information you will receive on this two-day course could change the way you do business- Don't miss out!

I look forward to seeing you there!






Steve Hochfeld

Fundamentals of Futures

JOHANNESBURG

25, 26 March 2013

HOW TO REGISTER

-  **Phone:** Call us on +27 (0)11 853 2777 or
-  **Fax:** Send your completed form to +27 (0)86 643 9411 or
-  **E-mail:** Send your details to traders@hochfeld.co.za

Registration Form

Title/First Name:

Last Name:

Designation:

Organisation:

Postal Address:

Postal Code:

Country:

Telephone: ()

Fax: ()

Email:

Please photocopy this form for additional delegates

Fees (per delegate)

Full Fee: 10950.00(+ VAT @ 14%) = R12 483.00

Preferential Hotel Bookings may be made via TMS Training

Methods of payment

- Hochfeld Grains (Pty) Ltd
- **Direct Deposit** to Account Number: 420938281
- Sandton Branch, Standard Bank, Branch Code 9205
- Please quote **TMS Training 77** as your reference.

Terms and Conditions

- 1.Fees include lunch and refreshments, as well as all materials
- 2.No delegate will be admitted unless payment has been received.
- 3.Substitutions are acceptable at no additional charge
- 4.Cancellations within 14 days before Course Date will incur a 50% cancellation fee.
- 5.Cancellations within 7 days before Course Date will incur a 100% cancellation fee.
- 6.TMS reserves the right to defer or modify the course material as required.



TRAINING SERVICES
ON SAFEX APD

FUNDAMENTALS OF FUTURES



25,26 March 2013
Johannesburg



TMS Training Services is a
BankSeta Accredited
Provider

Registration No: 557037

traders@hochfeld.co.za

COURSE SYLLABUS

DAY ONE

Welcome and Opening Remarks Steve Hochfeld, Hochfeld Grains

INTRODUCTION

Steve Hochfeld, Hochfeld Grains

- What is a futures market
- Why do we need futures market
- Terminology

STRUCTURE OF SAFEX APD

Chris Sturgess, SAFEX - APD

- History
- Product Specifications
- Contracts Traded
- Participants
- Regulation
- Qualifications
- Market Reports
- Live Trading Screen
- Delivery
- Margin Requirements

BASICS OF FUTURES AND HEDGING

André Kurten

- What is hedging
- Physical vs. Futures Markets
- Hedging Principles
- Market Structure
- SAFEX APD
- Pricing
- Arbitrage

TRADE EXCHANGE ENVIRONMENT

André Kurten

- Forward Contracts
- Spotting the Derivative
- Convergence
- Contract Specifications

- Market Participants
- Market Mechanism
- Buying and Selling Futures
- Settlement
- Pricing Futures
- Producer Example
- Buyers Example

HEDGING EXERCISE

Closing Remarks and Close of Day

DAY TWO

OPTIONS AND APPLICATIONS

André Kurten

- Valuing Options
- Additional Hedging Strategies
- Hedging Instruments
- Price Range Option Hedge
- Zero Cost Hedge

FARMWISE

Johan De Villiers, Farmwise

- Trading Screens
- Trading Reports
- Market Reports
- Technical Analysis
- Experience in Options

SILO CERTIFICATES AND BASIS

Steve Hochfeld, Hochfeld Grains

- Carry Costs
- Silo Certificates in Practice
- Basis Calculation
- Importance of Exchange Rate

OPTIONS EXERCISE

PRACTICAL HEDGING AND PITFALLS

Steve Hochfeld, Hochfeld Grains

- Dangers in Hedging
- Risk Management

About the course facilitators:



Steve Hochfeld is the Managing Director of Hochfeld Grains, and has been involved in the industry for over 35 years. He is currently the Deputy Chairman of SACOTA.

Steve was a member of the management committee of the SAFEX Agricultural Market Division. He was intimately involved in the drawing up of the RSA standard grain contract, SAGOS 5 & 6. Steve has given lectures & presentations at various trade functions.



Johan De Villiers is a Shareholder in Farmwise Grains, he has extensive experience of all aspects of Futures and Options Trade. He has undertaken research work in both the USA and Dubai in the Development of South African Products Internationally.

Chris Sturgess is Manager: Agricultural Products Division of the JSE Securities Exchange. He joined SAFEX in 1997 and has been involved in the growth and development of the agricultural derivatives market in South Africa. Chris is part of a small team at the exchange that ensures the efficient operation of the agricultural market and has presented a number of short training courses to the agricultural sector.



André Kurten started his career in the financial markets in 1983. He worked as a dealer at Nedcor for 9 years, where he traded money and bond markets. While at Nedcor, he was instrumental in establishing the interest rate derivative trading desk. After leaving Nedcor, André worked at two major interdealer brokers as a Director responsible for Derivatives Broking. André joined ABSA

as Head of their agricultural derivatives trading desk in 1994. During his time at ABSA, André sat on the executive committee of the SA futures Exchange Agricultural Markets Division. André worked for the SA Futures Exchange for a year as Assistant General Manager responsible for interest rate product development prior to being appointed as Director in charge of Training at Prebon Training SA. André served a Governor on the board of the South African Institute of Financial Markets for 9 years. André holds a BCom Degree from UNISA and a CAIB (SA) from the Institute of Bankers in SA and is a Fellow Of The Institute Of Financial Markets. André has facilitated Treasury related training interventions in Africa, Asia and Europe on financial markets. André is the author of a book titled Introduction to Derivatives – A South African Perspective. The University of South Africa prescribed the book for 3rd year B.Com students.

Day Schedule:

08:30	Registration and Coffee	13:00	Session 3
08:45	Session 1	14:30	Afternoon break
10:15	Morning break	14:45	Session 4
10:30	Session 2	16:15	Concluding remarks
12:00	Lunch	16:30	Close of day



Please join us at the close of the day for drinks in a relaxed setting, ideal for networking and discussion

traders@hochfeld.co.za



TRAINING SERVICES