

## **Bank Nifty, Gold ETF & VIX Index**

### **1. Bank Nifty Trading Strategy**

#### *Objective*

The training session on Bank Nifty trading strategies for brokers, dealers and arbitrageurs has been designed with a view point of making the members aware of trading opportunities in Bank Nifty by adopting various strategies which can yield returns. Since, banking stocks have the highest weight in Nifty Index, it provides excellent trading opportunities for intra-day as well as positional traders, Bank Nifty is an index comprising of banks so in a way, it is a proxy of banking stocks. As Indian market is fast witnessing, lower returns on low risk strategy, the audience will be made aware of Bank Nifty as a product, its settlement cycle, margin requirement etc. and various trading strategies to take calculated and informed call on trading opportunities. Risk management will be highlighted by adopting hedging strategies through Bank Nifty Call/ Put option.

#### **Topics covered:**

- Introduction to Bank Nifty
- Why Bank Nifty is popular trading index
- Introduction to Bank Nifty Futures, Call/ Put Options
- Settlement cycle, margin requirement
- Various trading strategies in Bank Nifty using practical examples.
- Risk management and trading uncertain markets using hedging techniques
- Advantages of trading in Bank Nifty

Participants will be made aware of creation and development of trading strategies and how they can take advantage of these strategies with minimal cost and infrastructure in place.

#### **Key takeaways of the program**

The participants will be expected to understand:

- 1) Bank Nifty & why it is popular product
- 2) Benefits for intra-day, positional traders
- 3) Risk management in uncertain markets using hedging techniques
- 4) Practical and easy to relate examples of various strategies

## **Bank Nifty, Gold ETF & VIX Index**

### **2. Trading & Arbitrage opportunities in Gold ETF**

#### *Objective*

The training session on Gold ETF will target brokers, dealers and arbitrageurs with focus on trading & arbitrage opportunities in Gold ETF and Gold Futures commodities. Gold, as an asset class, almost every Indian home has a little of it. Gold's most enduring benefit is its ability to stabilize a portfolio and protect it against market fluctuations. Historically, gold prices have shown better stability even during periods of crisis, as compared to other investment types. Most experts advise investing in gold as a "must", since gold creates a robust portfolio that withstands market fluctuations. Gold has reflected providing stable returns in the long run. However traders can effectively use Gold ETFs as vehicle to generate returns on otherwise idle/ passive investment through physical gold.

#### **Topics covered:**

- Introduction to Gold ETF, its benefits & features
- Trading in Gold ETF & trading cycle, settlement etc.
- Various alternatives of investing in Gold ETF & Gold futures
- Risk management and trading uncertain markets through use of Gold ETF

#### **Key takeaways of the program**

The participants will be expected to understand:

- 1) How Gold ETF provides investment & trading opportunities
- 2) Difference between the Gold ETF price of different AMCs
- 3) Ability to spot opportunities and able to come up with a robust strategy
- 4) Risk management & hedging through Gold ETF
- 5) Why trading in Gold ETF has not taken off

## **Bank Nifty, Gold ETF & VIX Index**

### **3. Trading & Arbitrage opportunities in VIX India**

#### *Objective*

The training in VIX is oriented towards understanding the importance of the VIX index and its practical applications. Using VIX as an instrument to estimate the Index volatility and hence use it as a critical tool for pure options arbitrage, futures to options arbitrage and predicting the onward volatility of the market. Making participants understand through various practical example a one-to-one comparison on how VIX Index in the West (Eg: S&P VIX) is used widely by traders and fund managers to hedge their portfolio positions and trade effectively in the options and futures segment. Using practical excel based ARCH and GARCH techniques to identify the actual volatility of the market and compare that to the VIX volatility to spot arbitrage opportunities in the volatility segments – like options with delta hedging.

#### **Topics covered:**

- Introduction to VIX Index, its benefits & features
- Understanding the use of VIX as an options indicator tool to arbitrage between various option strikes or arbitrage between single option and futures.
- Practical examples using Excel from US markets to understand how S&P VIX is used by traders and fund managers globally and comparing that to the Indian VIX Index
- Hedging portfolios, hedging delta in options and using extreme VIX spikes (< 15%, > 80%) VIX spikes to trade swiftly
- Using Excel based ARCH and GARCH estimation to arbitrage between calculated volatility and the VIX volatility index using options.

#### **Key takeaways of the program**

- 1) The participants will be expected to understand:
- 2) The nuts and bolts of how to use the VIX Index to their advantage
- 3) Will be able to comprehend trading strategies on Nifty options across strikes using VIX as the reference point for volatility
- 4) Able to understand various hedging and trading strategies deployed in the US markets by S&P VIX Index and make notes of using the same in the Indian VIX market
- 5) Understand the relevance of volatility predictions using ARCH and GARCH models and why VIX plays a very crucial role when there are huge volatility spikes. The participants will be in a position to take advantage of these spikes and hence be able to effectively trade Nifty options

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### About Samssara Capital Technologies LLP

Samssara Capital Technologies LLP (“Samssara”) is an investment solutions firm focused solely on developing automated algorithmic and quantitative trading and investment strategies. It was launched in 2010 by a team of IIM Ahmedabad and IIT Bombay graduates - Rajesh Baheti, Manish Jalan and Kashyap Bhargava. Samssara caters to its clients' needs of providing an alternative asset management vehicle, with the focus on 100% automated and quantitative trading strategies.

Samssara’s products vary from pair trading (statistical arbitrage), factor models, Nifty Index beating products to very high frequency trading strategies. The team at Samssara works on mathematical models and statistics that identify repetitive patterns in equity, commodity and currency markets. The addressable market for Samssara is global - as the firm can develop and build models which can function in both developing markets with limited competition and developed markets with strong competition. Samssara’s client base includes the leading international and domestic banks, international and domestic stock brokers, family offices, corporate treasuries and HNIs.

### Profile of Manish Jalan

Manish Jalan is the Chief Strategist and Director of the Algo trading firm Samssara Capital Technologies LLP. Prior to his new found Indian venture, Manish was a Quantitative Prop Trader in Tokyo, with Merrill Lynch Prop Desk handling USD 100 Mn. portfolio. Manish has worked closely with many Indian brokers and numerous International banks in algorithmic trading, trend following strategies, statistical arbitrage, factor modeling and back testing. Manish is a B.Tech and M.Tech from IIT Bombay in Mechanical Engineering.

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