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COURSE BROCHURE

Option Trading Strategies and Delta Hedging Training Course

5 – 9 July 2027
Rome

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Registered in the United Kingdom and Saudi Arabia

Option Trading Strategies and Delta Hedging Training Course

Ref: 2721_103928 **Date:** 5 – 9 July 2027 **Location:** Rome **Fees:** 6200 GBP

Option Trading Strategies and Delta Hedging is a 1-week training course for bank traders, structurers and risk staff who quote, run and control option positions, and who leave with an option trade and hedging plan. Volatility regimes now shift quickly between calm and stress, so desks need clear rules for choosing structures and rebalancing hedges. Jupiter Prime Training delivers Option Trading Strategies and Delta Hedging for desks across many organisations.

Why Option Trading Strategies and Delta Hedging Matter Now

Three groups shape option desks today. Corporate and investor clients ask for cheaper protection, pushing desks towards spreads and collars. Market makers face sudden jumps in implied volatility that change the cost of a short option book. Risk committees expect every option position to come with a hedge rule and a loss limit. A desk that handles this well earns its spread and survives volatility spikes; one that handles it badly sells options too cheaply or hedges too late. The course rests on replication: an option can be copied by trading the underlying and adjusting the hedge as the price moves.

Who Gains Most from Option Trading Strategies and Delta Hedging

- Traders who quote listed and dealer options
- Structurers who combine options into client hedges
- Market risk staff who measure option sensitivities and set desk limits
- Treasury dealers who hedge currency and rate exposure with options
- Product control staff who check option marks

A trading floor gains most when its traders, structurers and risk staff attend together.

Option Trading Strategies and Delta Hedging Capabilities

Participants move from reading an option payoff to running a hedged option position through changing volatility.

- Build payoff diagrams for single options, spreads and combinations — the structure offered to a client
- Calculate option value with a binomial tree and a closed-form model — the price quoted on the desk
- Assess delta, gamma, vega and theta — the hedge decision of the trader
- Weigh implied volatility against realised volatility — the choice to buy or sell options
- Design a delta hedging rule with rebalancing triggers — the cost and accuracy of the hedge
- Specify sensitivity limits and stress tests for an option book — the approval of the risk committee

Key Option Trading Strategies and Delta Hedging Terms

- Delta — the change in option value for a small move in the underlying price
- Gamma — the rate at which delta changes as the underlying moves
- Vega — the change in option value for a one-point change in implied volatility
- Theta — the daily loss or gain in option value as expiry approaches
- Implied volatility — the volatility that makes a pricing model return the option's market price
- Volatility smile — the pattern in which implied volatility differs across strikes for the same expiry

Option Trading Strategies and Delta Hedging Day by Day

Day 1: Option Payoffs and Market Use

- Calls, Puts and Payoff Diagrams — Choice of Client Protection
- Listed Versus Dealer Options — Venue, Margin and Counterparty Exposure
- Put-Call Parity and Synthetic Positions — Cheapest Route to an Exposure
- Option Use by Corporates, Insurers and Fund Managers — Client Demand Patterns
- Exercise Styles and Settlement Terms — Delivery Obligations at Expiry

Day 2: Pricing and Volatility

- Binomial Tree Valuation — Early Exercise and Dividend Effects
- Closed-Form Option Pricing Inputs — Quote Sensitivity to Each Input
- Historical Versus Implied Volatility — Relative Cheapness of Options
- Volatility Smiles, Skews and Term Structure — Strike and Expiry Selection
- Volatility Surface Construction From Market Quotes — Consistent Desk Marks

Day 3: Option Sensitivities and Position Risk

- Delta and Gamma Profiles Across Strikes — Hedge Size and Frequency
- Vega and Theta Trade-Off — Cost of Carrying Long Options
- Second-Order Sensitivities and Pin Risk — Behaviour Near Expiry
- Profit Explanation by Sensitivity — Daily Reconciliation With Product Control
- Scenario Grids for Price and Volatility Shocks — Book Loss Limits

Day 4: Spreads, Combinations and Delta Hedging

- Vertical, Calendar and Diagonal Spreads — Directional Views at Lower Premium
- Straddles, Strangles and Butterflies — Volatility Views of the Desk
- Collars and Risk Reversals for Clients — Zero-Premium Hedge Design
- Discrete Delta Hedging Simulation — Rebalancing Band and Hedge Cost
- Gamma Scalping Versus Static Hedges — Choice of Hedge Style

Day 5: Practising the Option Trade and Hedging Plan

- Applying Payoff Design to a Client Request — Structure Recommendation
- Applying Volatility Surface Reading to Strike Choice — Entry Price
- Applying Sensitivity Limits to the Proposed Position — Risk Sign-Off
- Stress Testing the Hedged Position Through Volatility Spikes — Survival of the Book
- Option Trade and Hedging Plan With Rebalancing Rules — Desk Approval

Applying Option Trading Strategies and Delta Hedging After the Course

- Rebuild the desk delta hedging rule with explicit rebalancing bands
- Run a weekly profit explanation by delta, gamma, vega and theta for one option book

Option Trading Strategies and Delta Hedging Questions FAQ

What are option trading strategies and delta hedging, and why do they matter now?

Option trading strategies and delta hedging are the methods a desk uses to choose option structures and neutralise their price risk. They matter now because volatility shifts quickly, and desks without clear hedge rules lose money in sudden moves.

Which roles gain most from option trading strategies and delta hedging?

Option traders, structurers and market risk staff gain most, along with treasury dealers and product control staff. You benefit most if you quote, structure, hedge or approve option positions.

How does an option trading strategies and delta hedging course differ from a derivatives valuation course?

It focuses on running and hedging an option book day to day. A valuation course centres on pricing mathematics, while this course works through trade structures, sensitivity limits and rebalancing rules.

What do you bring back from option trading strategies and delta hedging training?

You bring back a written trade and hedging plan for one option position. It sets out the structure, entry volatility, sensitivity limits, rebalancing rules and stress results for your risk committee.

Option Trading Strategies and Delta Hedging: The Way Forward

The option trade and hedging plan first informs whether a proposed structure can be traded within desk limits. Traders use it to set entry and rebalancing rules, while risk staff use it to monitor sensitivities each day. After its first use, revisit the rebalancing band, since hedge cost and accuracy change as volatility regimes shift.