Guest Lecture on Dubai Destination Training

By Ashay Kakde,
Assistant Vice President, Credit Suisse

On 29th July 2017

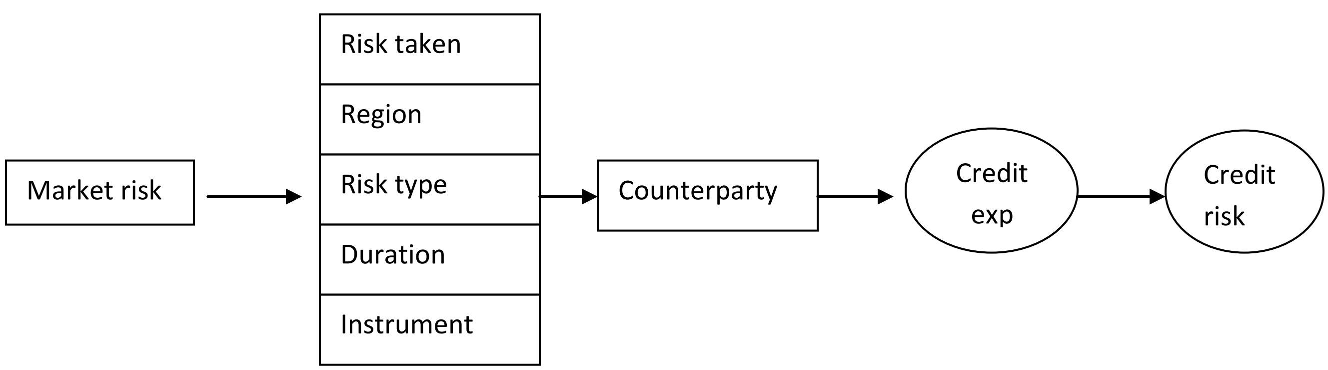
The few highlights of commodity market and equity market and the risks associated were explained in this seminar. This session was indeed interesting when the equity markets were explained and how money and economy works hand in hand were shown to us.

The equity market (often referred to as the stock market) is the market for trading equity instruments. Stocks are securities that are a claim on the earnings and assets of a corporation. An example of an equity instrument would be common stock shares, such as those traded on the New York Stock Exchange.

This session also taught us how to buy or sell a share on BSE/NSE, how to put a trade, provided transparency of the price, the purpose of entering into derivative contract, etc.

Exchange provides fully automated screen based trading facility. Equal access to market participation, all over the country. All orders are matched automatically and trades generated. Exchanges set as counterparty and guarantees trade settlements. Exchange provides an electronic platform for price discovery of listed commodities.

The key risk dimensions that were giving rise to market and credit are



Total price risk can be described as sum of the market risk and residual risk (Basis risk, Specific risk, volatility risk). Credit risk happens from both buyer and seller's side. Various risks that are assumed by the exchange may be classified under broad categories such as Credit risk, Settlement risk, Market risk, other risk. All the open positions of the members are marked to market at the end of the day and the profit/loss are determined.

Resource Person,
Mrs. Puja Patil,
Assistant Professor - Finance,
Indira Institute of Business Management,
Sanpada, Navi Mumbai.