



## **Level 5 Advanced Diploma in Financial Trading**

### **1. Financial markets and operations**

The aim of this unit is for learners to develop the knowledge and skills to understand and analyse how the financial markets operate. Learners will be able to summarise the economic history and how it impacts on today's markets and explain the supply and demand with current economics. Learners will be able to define financial technical analysis and be able to compare different analysis chart types to evaluate the advantages and disadvantages of market analysis.

At the end of the module, learners will:

- Understand the derivatives markets and asset classes in modern financial markets.
- Explain the origins and operations of financial futures market and how to analyse the market components of futures contract.
- Explain underlying markets for bonds, equities, forex, commodities, indices and options.
- Understand fundamental macro and micro economic analysis in relation to financial market trading.
- Explain the purpose of economics, the impact of economic supply and demand, explain economic variables and their interaction, management and solutions of the economy.
- Analyse government policy and its implications on the economy and financial market, economic indicators and data release.
- Explain monetary and fiscal policy of U.S. Federal Reserve, European Central Bank and Bank of England.
- Define financial technical analysis, compare different financial technical analysis charts and impact of financial market trading.
- Explain the philosophy behind financial technical analysis.
- Evaluate the advantages and disadvantages of market analysis, using various technical analysis indicators for charts overlays and momentum indicators.
- Implement learned technical analysis techniques for both short term trading and long term investment strategies.



## 2. Financial products and associated risks

The aim of this unit is to develop the knowledge and understanding of the different types of financial products and the risk associated with them. You will learn about trading bonds, foreign exchange, commodities and the factors that could make them a risk to trade. You will also develop an understanding of the short term interest rates and the index markets and how these influence trading.

At the end of the module, learners will:

- Explain the different types of bonds in financial markets, bond futures, their function within financial markets and associated risks. How bond futures are priced and contributing factors.
- Explain the relationship between bond futures yield and maturity and the operations of government bond yield curves. Summarise the features of the foreign exchange market.
- Analyse how foreign exchange markets function and associated risk and market influencing factors of the foreign exchange markets.
- Compare different foreign exchange currency pairs and associated correlations. and associated risk Portfolio reference.
- Summarise the features of the commodity market.
- Analyse how commodity markets function and associated risk and market influencing factors of the commodities futures market.
- Compare and contrast different commodities futures correlations.
- Explain how the commodities futures market is traded.
- Summarise the STIRS market and associated features, analyse the STIRS market function and associated risk.
- Explain how STIRS futures are priced and traded.
- Explain why equity exists and how equity is used within the financial markets.
- Analyse how index markets are valued, index futures components, pricing and traded.



### 3. Financial Trading Techniques

The aim of this unit is to develop your knowledge, understanding and skills to be able to trade. You will learn how to keep a daily diary of the markets' behaviours and analyse the pricing support and resistance that creates the supply and demand. You will also learn how to evaluate your own trading behaviour and produce a personal development plan for improvement.

At the end of the module, learners will:

- Be able to analyse financial market data and trading patterns whilst understanding the greater macro and micro economic environment Portfolio reference.
- Use trading techniques to identify overvalued and undervalued futures prices for a multitude of financial asset classes.
- Analyse the price support and resistance levels which have been created by investor supply and demand.
- Use analysis techniques to forecast short term trading opportunities and longer term investment opportunities.
- Be able to trade a multitude of futures asset class products Portfolio reference.
- Maintain a daily trading diary of market analysis, trade execution and reasoning behind trading decisions.
- Devise a daily structured trading plan, apply trading techniques to financial products. Calculate the profit and loss of trades whilst managing associated risk.
- Understand both market psychology and individual trading psychology Portfolio reference.
- Assess psychology and behaviour in trading. Review own trading behaviour and produce a personal plan for improvement.