

Capital Markets & Securities Analyst (CMSA®) Certification

Duration: 3 days

Here's a **3-day training session content outline** for **Capital Markets and Securities Analysts**. This training will cover core principles in capital markets, securities analysis, and related tools, with an emphasis on practical skills.

Day 1: Introduction to Capital Markets & Financial Instruments

Session 1: Introduction to Capital Markets

What are Capital Markets?

- Importance of capital markets in the economy
- The role of capital markets in raising capital and liquidity
- Key market participants: investors, issuers, intermediaries, and regulators

Types of Capital Markets

- Primary market: IPOs, debt offerings
- Secondary market: stock exchanges, OTC markets
- Debt vs. equity markets

Market Structures

- Stock exchanges (NYSE, NASDAQ, etc.) vs. Over-the-Counter (OTC)
- Trading mechanisms: Order-driven, quote-driven markets
- Role of clearinghouses and custodians

Session 2: Financial Instruments in Capital Markets

Equities (Stocks)

- Common and preferred stocks
- Stock issuance and trading process
- Dividend policies and rights of stockholders

Fixed Income (Bonds)

- Types of bonds: Government bonds, corporate bonds, municipal bonds
- Bond characteristics: Coupon rates, maturity dates, yields
- How bonds are priced and traded

Derivatives Markets

- Futures, options, and swaps
- Hedging and speculation using derivatives
- Basic concepts in derivative pricing

Session 3: Market Participants and Market Efficiency

Market Participants

- Retail and institutional investors
- Investment banks, asset managers, and broker-dealers
- Regulators: SEC, FCA, ESMA

Market Efficiency

Efficient Market Hypothesis (EMH) and its implications
Types of market efficiency: Weak, Semi-strong, Strong
Real-world deviations from efficiency: Market anomalies

Day 2: Securities Analysis & Valuation Techniques

Session 4: Equity Analysis and Valuation

Fundamental Analysis for Equities

Understanding financial statements: Income statement, balance sheet, cash flow
Financial ratios: P/E ratio, P/B ratio, ROE, EPS, and others
Economic and industry analysis (macro factors affecting stock prices)

Valuation Techniques for Stocks

Discounted Cash Flow (DCF) method
Dividend Discount Model (DDM)
Comparable company analysis and precedent transactions

Session 5: Fixed Income Analysis and Valuation

Understanding Bonds

Types of bonds and their features
Bond yields: Current yield, yield to maturity (YTM), yield to call (YTC)
Duration and convexity: Measures of bond price sensitivity

Bond Valuation

Calculating bond prices and yields
The relationship between bond prices and interest rates
Yield curves and what they indicate about the economy

Session 6: Technical Analysis

Introduction to Technical Analysis

Key principles: Price discounts everything, prices move in trends
Chart types: Line charts, bar charts, candlestick charts

Technical Indicators

Moving averages, RSI, MACD, Bollinger Bands
Support and resistance levels, trendlines, and channels

Practical Application

Identifying trends, using indicators to make trade decisions

Day 3: Risk Management, Regulatory Framework & Ethics

Session 7: Risk Management in Capital Markets

Types of Financial Risks

Systematic vs. unsystematic risk
Credit risk, market risk, liquidity risk, operational risk

Risk Measurement and Mitigation

Value at Risk (VaR) and stress testing
Hedging strategies: Using options and futures
Diversification and asset allocation

Portfolio Management

Constructing a balanced portfolio
Modern Portfolio Theory (MPT)
Capital Asset Pricing Model (CAPM)

Session 8: Regulatory Framework and Compliance

Overview of Global Financial Regulations

The role of regulatory bodies: SEC, FCA, ESMA
Key regulatory standards: MiFID II, Dodd-Frank, Basel III

Market Integrity and Investor Protection

Insider trading, market manipulation, and fraud
Anti-money laundering (AML) and Know Your Customer (KYC)
Reporting and transparency requirements

Ethics in Securities Analysis

Ethical responsibilities of analysts and investment professionals
Conflicts of interest and their management
CFA Institute Code of Ethics and Standards of Professional Conduct

Session 9: Final Review & Practical Applications

Case Studies

Real-world case studies on market events, securities analysis, and risk management

Interactive Q&A and Group Discussion

Open forum to discuss complex issues, challenges in analysis, and real market scenarios

Training Approach:

Lectures: Core theory and concepts will be explained with practical examples.

Group Discussions: Facilitate understanding through discussions of real-world cases and issues.

Hands-on Exercises: Interactive exercises like calculating bond yields, using financial ratios, and analyzing stock charts.

Quizzes/Assessments: Testing knowledge through quick assessments after each session.

This 3-day training session will equip participants with the knowledge required for a career in capital markets and securities analysis, providing both theoretical insights and practical skills.