FIMMDA-NSE Debt Market (Basic) Module

- **Debt Instruments**
  Basic concepts of debt instruments

- **Indian Debt Markets**
  Different types of products and participants; Secondary market for debt instruments

- **Central Government Securities: Bonds**
  Primary issuance process; Participants in Government bond markets; Constituent SGL accounts; Concept of Primary dealers, Satellite dealers; Secondary markets for Government bonds; Settlement of trades in G-Secs; Clearing corporation; Negotiated Dealing System; Liquidity Adjustment Facility
  (LAF).

- **Central Government Securities: Treasury Bills**
  Issuance process; Cut-Off yields; Investors in T-Bills; Secondary market activity in T-bills.

- **State Government Bonds**
  Gross fiscal deficit of state Governments and its financing; Volume, Coupon rates and ownership pattern of State Government bonds.

- **Call Money Markets**
  Participants in the call markets; Call rates

- **Corporate Debt: Bond**
  Market segments; Issue process; Issue management and Book building; Terms of a debenture issue; credit rating.

- **Commercial Paper & Certificate of Deposits**
  Guidelines for CP Issue; Rating notches for CPs; Growth in the CP market; Stamp duty; Certificates of deposit.

- **Repos**
  Repo rate; Calculating settlement amounts in Repo transactions; Advantages of Repos; Recent issues in repo market in India; Secondary market transactions in Repos; Repo accounting.

- **Bond Market Indices and Benchmarks**
  I-Bex: Sovereign bond index; NSE-MIBID/MIBOR

- **Trading Mechanism in the NSE-WDM**
  Description of the NSE WDM trading system; Order types and conditions; Order entry in negotiated trades market; Order validation and matching; Trade management; Reports; Settlement; Rates of brokerage.

- **Regulatory and Procedural Aspects**
  G-Sec Act 2006; SEBI (Issue and Listing of Debt Securities) Regulations 2008 and Market Practices and Procedures

- **Valuation of Bonds**
  Bond valuation; Accrued interest; Yield; Weighted yield; YTM of a portfolio; Realized yield; Yield-price relationships of bonds

- **Yield Curve and Term Structure of Interest Rates**
  Yield Curve; Bootstrapping; Alternate methodologies to estimate the yield curve; Theories of the term structure of interest rates

- **Duration**
  Introduction and definition; Calculating duration of a coupon paying bond; Computing duration on dates other than coupon dates; Modified duration; Rupee duration; Price value of a basis point; Portfolio duration; Limitations of duration

- **Fixed Income Derivatives**
  Concept of fixed income derivatives; Mechanism of forward rate agreements; Interest rate swaps