TIO02 Lecture Objectives & Prerequisities

Overview

This session will take you through the pre-requisites and the steps for setting up an Algo Desk. In this lecture, faculty with his practical knowledge and hands-on experience will answer all your doubts/queries/concerns related to Algo Trading business.

This is an interactive lecture, highly customized to your queries; hence do share your questions, doubts, etc. with the Support team prior to the lecture.

Key Takeaways:

- Understanding the infrastructure requirements including software, hardware and network requirements
- Understanding the business environment (including regulatory environment, financials, etc) for Algorithmic Trading desks.
- Get an overview on business requirements for starting an algo desk with examples from developing and a developed market.

Pre-requisites:

- Some understanding of the financial markets: Please refer to the links of below websites which might be helpful:
  a) nse-india.com
  b) mcxindia.com
  c) cmegroup.com

- The session would be a largely interactive session, so prepare set of 5 questions at least on Algorithmic Trading, Infrastructure, Operations, Business Management, etc. This class will be largely open-ended and driven by students' queries and interest.

Practical application of the topics learned in this session:

This session in an answer to all the questions, worries, doubts you may have before starting an Algo Desk. It will help you in planning for an Algo Desk and has actually been referred to while setting up one by many!

Post this lecture, you will be in a position to decide on:

1. What kind of strategy best fits your business objectives? HFT, MFT or LFT?
2. What kind of membership or market access is ideal for you?
3. What kind of Infrastructure you should go for and what is the cost involved?
4. Effect of Colocation on trades executed
5. Which kind of Software & Hardware would be needed for your strategies?
6. Risk Factors and how to deal with them
7. What you need to worry about from the compliance & regulatory standpoint?

Additional Read:

Blog: Setting-Up an Algo Trading Desk

Recommended time for the session & related coursework – 6.5   hours