Treasury Products and Risk Management Training

Description

The Course Outlines:

Treasury Risk Management

- Role of the treasurer
- Role of the CFO
- Functions of a treasury
- Profit centres and cost centres
- Netting and in-house banks
- Importance of policies, procedures and risk management controls

Treasury Solutions – Currency Risk

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- Client exposure management
- Hedging solutions – market
- spot foreign exchange
- base and variable currencies
- cross rates
- forward foreign exchange
- forward pricing
- forward points
- foreign exchange swaps
- currency swaps
- exchanges of principal
- gross and net settlement of differentials
- relationship to forward market
- advantages over forward market
- currency options
- comparison with the forward market
- ‘Natural’ hedging

How Hedging Works

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- Identifying and analysing risk
- types of risk
- long and short positions
- Hedging
- physical delivery
- contracts for differences
- the importance of carry
- put/call parity
- the role of leverage in derivatives hedges
- OTC and exchange traded products
- how initial and variation margins work
- Herstatt risk
- DVP, PVP & CLS Bank
- symmetrical and asymmetrical risk management
- equal and opposite positions
- correlation and partial hedges
- when is a hedge a speculative position?
- IAS 39

Evaluating the Benefits of Treasury Management

- Evaluating upside and downside risks
- Advising clients on risk management
- Managing costs

Money Markets and Interest Rate Risk

- TBills, CDs, CP, ABCP
- IBORs, IBIDs, IMEANs and the interbank money markets
- Repos, Securities Lending and Sell/Buy backs
- Day count conventions: act/360, 30/360, act/act ….
- Discounts and yields
- Present values, future values, IRRs, YTMs and AICs
- ICMA 803.1 & 803.2

Understanding Money Market/Swap Market Yield Curves

- Liquidity preferences
- Preferred habitats
- Market expectations
- Market segmentation
- Efficient markets?

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