

# MBA in Treasury

4 Days

## COURSE OVERVIEW

Banks, investors, companies and other financial players can take any position they want through market products and can similarly manage almost every risk they need to. However, in order to harness the opportunities available, treasury managers need a thorough understanding of how the financial system and individual products work, and the rationale and strategies that financial players employ.

Join us for this unique **4-day** training course which will give you the in-depth information you need covering every aspect of treasury products and markets – from basic interest rate products to the most complex derivatives instruments – in clear, practical and up-to-date format. You and the banks and companies you work for, will be rewarded with a timely and authoritative insight into the world of treasury products that will equip you to take full advantage of the unfolding opportunities available in the global financial markets.

## LEVEL

Managerial

## WHAT WILL I GET OUT OF IT?

Why not strengthen your treasury function, as on completion of this MBA you will:

- Acquire a thorough understanding of how the financial system and individual products work
- Understand the rationale and treasury management strategies that financial players employ
- Analyze the products and strategies used to manage risk
- Gain a practical understanding of how derivatives work and their implications for balance sheets and regulatory adherence

## WHO'S IT FOR?

- Treasury managers
- Asset-liabilities managers
- Traders and dealers
- Operations managers
- Internal auditors
- Finance regulators
- Back office managers

## COURSE CONTENT

### The Banking Background

- The business of wholesale banking
- The role of a bank's treasury in managing the bank's exposure
- Economic and business cycles
- The basic of bank balance sheets
- Interbank and over-the-counter
- Benchmark interest rates
- Matching and mismatching flows: gap analysis

### Short-Term Traded Paper and Repo

- US commercial paper
- Commercial paper outside US
- Certificates of deposit
- Government bills
- Commercial bills
- Short-dated bonds
- Repurchase agreements
  - Repo as a means of borrowing money
  - Repo as a means of funding short bond positions
  - Repo risk

### Forward Priced Instruments

- Forward interest rates
- Forward rate agreements (FRAs)
- Introduction to exchange-based markets
- The nature and structure of futures markets
- Interest rate futures
  - Pricing, margining and settlement
  - Applications
  - Comparison with FRAs

### Foreign Exchange and Commodities

- Economic drivers of foreign exchange markets
- Quotation of spot rates
- Calculation and quotation of forward rates
- Applications of spot and forward products
- Currency options
  - Structure and pricing
  - Applications
- Foreign exchange swaps
  - Product structure
  - Applications
- Currency swaps
  - A combination of forward foreign exchange rates
  - Applications
- Commodities markets
  - Diversity of commodities traded
  - Commodity indices and derivatives contracts
  - Energy, weather and other markets

### **Hedge Fund Risk Profiles**

- What is an alternative investment
- Do hedge funds deliver alternative returns
- Hedge fund risk profiles
- Synthetic hedge funds

### **Interest Rate Options and Swaps**

- Interest rate and cross-currency swaps
  - Pricing
  - Valuation
- Applications of swaps in trading and risk management
- Interest rate options
  - Caps and floors
  - Swaptions
- Market structures and conventions, terminology, price quotation
- Pricing and valuation
  - Option modeling techniques
  - Market practices
- Hybrid structures
  - Collars
  - Range forwards
  - Zero cost collars
  - Partial swaps
- European, American and Bermudan style swap options
  - Interest rate trading and risk management
  - Risk reduction strategies
  - Yield enhancement strategies
  - Structured products: embedded interest rate options
- Dynamic hedging and management of interest rate option risks
- Counterparty credit risk of OTC interest rate options

### **The Global Financial Economy**

- Role of central banks
- Monetary policy and targets
- Fed, ECB and BOE
- Macro-economic policy and role of fiscal policy
- Asset price bubbles
- Regulatory arbitrage, corporate governance and securitization
- The credit crisis of 2007/8

### **Capital Requirements and Operational Risk**

- Deconstructing risk into its components
- Risk prioritization and ownership
- Risk management process
- Risk reduction strategies
- Expected consequence of Basel II Accord
- Risk modeling
- Scenario modeling
- Sensitivity analysis

### **Risk Measures: Cash Instruments**

- Interest rate risk measures and evaluation
  - Duration and Convexity
- Interest rate driven risks
  - Yield curve risk
  - Volatility risk
- Management of interest rate risks
  - Exposure calculations
  - Hedging exposure
- Currency risks
- General risks of financial operations

### **Risk Measures: Derivatives**

- Futures
  - Basis risk
  - Construction of future hedges
- Applications of option risk measurement factors
  - Managing the greeks
- Review of option strategies
- Peculiar risks of options
- Review of options variants
- Swap variants
- Understand credit risk and credit derivatives

### **Practical Risk Management**

- Principles of asset and liability management
  - Gap analysis
  - Currency, credit and liquidity risk
- Dynamic management of derivatives portfolios
  - Risk management and reduction
  - Multi-product portfolios
- Value-at-Risk modeling
  - Calculating VaR
  - Role of volatility in VaR
  - Confidence level and VaR
  - Using VaR measures for risk management and control