

Treasury Products Overview

3 Days

COURSE OVERVIEW

Sound treasury management utilizes the right financial products to manage risk, capitalize cashflow and minimize debt financing. This program will therefore provide you a comprehensive understanding of the products used by banks and corporate treasuries in today's successful treasury management, an insight into the best borrowing sources and investments and when and how to use them, together with an insight into the essential processes to the smooth day-to-day running of your institution's finances.

This course also provides an overview of the structure and key functions of the treasury and how to implement a robust risk management strategy to weather today's tough market conditions.

LEVEL

Introductory

WHAT WILL I GET OUT OF IT?

The course will demonstrate cash treasury products and derivative products, including:

- Description and definition of each product
- How the product price is arrived at
- Market jargon and terminology
- Product applications and uses
- Risk factors of using products
- Key product strategies
- Product marketing and selling characteristics

WHO'S IT FOR?

- Corporate account officers
- Support personnel in operations
- Regulators and central bankers
- New treasury professionals
- Company directors
- Recent graduates transferring to treasury areas

COURSE CONTENT

Cash and Money Market Products

- Short-dated bonds
- Discount vs. interest bearing
- Time deposits
 - As short term funding
 - Placing and recovery
 - Domestic and off-shore
- Certificates of Deposit
 - Benefits of CDs in liquidity management
- Bills of exchange, promissory notes and commercial papers
- Sale and repurchase agreements
 - Uses in raising cash
 - Uses in reverse repo

Fixed Income Market Products

- The major markets
- Eurobonds
- Credit rating agencies
- Price-yield relationship
- Types of yield measures
- Credit and quality spreads
- Duration and convexity

Foreign Exchange Market Products

- Dollar's role
- Quotation
 - Spot and reciprocal rates
 - Cross rates
- Forwards
 - Interest rate differential
 - Premium or discount?
 - Assumptions of risks and exposures
 - Costs and gains from interest differentials
- Non-deliverable forwards
 - Fixing methodology
- Constructing the hedge
- Evaluating its outcome
- FX swaps in liquidity management
- Funding and investment swaps
- Time management and position moving

Derivative Market Products

- General risks
- Gearing and leverage
- Currency futures
 - Creating FX hedges and their evaluation
- Bond futures
 - As surrogate bonds
 - General principles of trading and hedging
- Cross currency index swaps
- Long term foreign exchange funding

- Hedging long term cashflows
- Interest rate coupon swaps
- Index swaps
- Amortizing swaps
- Forward start swaps
- Hedging future long term funding issues

Using Options

- Option basics
 - Different types of options
 - Moneyness
 - Put-call parity
 - Historical vs. implied volatilities
- Option greeks
 - Delta
 - Gamma
 - Theta
 - Vega
- Using options to manage currency risk
- Strategies set-up
 - Basic option
 - Strategies
 - Synthetic options
 - Premium reduction strategies
- Common interest rate option products in the Treasury
- Common FX option products in the Treasury