



Financial Markets Risk Management Course

Programme Code: P200504UZW

COURSE OVERVIEW

This course is conducted by virtual classroom online

The course is designed for Financial Markets junior traders and sales with under 3 years' experience. The programme will enhance participants' understanding on financial markets risks, controls and protocols. This course will cover the types of Financial Markets Risk and Controls and will help to distinguish the different control functions of Financial Markets activities.

Who Should Attend

Junior Trader and Sales personnel within Treasury Markets function. This course would also be relevant for financial markets middle office and compliance officers looking for a better understanding of the subject matter.

Course Requisites

Attendees should have a basic understanding of Treasury products and market terminologies. Pre-requisites reading and product knowledge includes

- 1) Global BIS FX Code of Conduct 2018

Duration of Course – 2 Hours of Virtual Classroom

There will be an Assessment (MCQ) after the training session.

Course Fees - S\$ 500 (Nett Fees S\$60; IBF FTS Funding & GST included)

FTS Funding please visit IBF website: <https://www.ibf.org.sg/programmes/Pages/IBF-FTS.aspx>

All participants must have a computer device with video camera functions for this course and for identification purpose.

Trainer: Thomas Poh

For Trainer's profile, policies guidelines and related polices pls visit ACI website

www.acisin.com

OBJECTIVES

Objective of this course is:

- Identify the 3 types of Financial Markets Risk
- Understand the 3Ms in Risk Management
- Identify the various types of Market risk and controls
- Identify the various types of Credit risk and controls
- Identify the various types of Liquidity risk and controls
- Distinguish the different functions of Financial Markets activities

Financial Markets Risk Management

COURSE OUTLINE

1. Fundamentals of Financial Market Risk Management

a) Different types of Risk Exposures facing Banks

- Operational Risk
- Financial Markets Risks
 - Market Risks
 - Credit Risks
 - Liquidity Risks

b) 3 “M”s of Risk Management

- Measure
- Monitor
- Manage

2. Control Functions for Financial Markets Activities

a) Front Office

- Trader Level
- Desk Level
- Trading Function Level

b) Market Risks Management (MRM)

c) Credit Risks Management (CRM)

3. Market Risks

a) Types of Market Risks

- i. FX
- ii. Interest Rates
- iii. Credit Spreads
- iv. Equity
- v. Commodity

b) Market Risks Control Measures, Matrices and Mitigations

- i. Trading Mandates
- ii. Net Open Positions (NOP)
- iii. Position Limits
- iv. VAR
- v. Management Action Triggers vs Stop Loss Limits
- vi. Off-market checks

4. Credit Risks

a) Types of Credit Risks

- i. Country
- ii. Issuer
- iii. Counterparty

b) Credit Risks Control Measures, Matrices and Mitigations

- i. Pre-settlement Limits (PSR)
- ii. Settlement Limits (SR)
- iii. Netting & Continuous Linked Settlements (CLS)
- iv. Credit Support Annex (CSA)
- v. Alphabet soup of Adjustments
 - Credit Valuation Adjustments (CVA)
 - Debit Valuation Adjustments (DVA)
 - Funding Valuation Adjustments (FVA)
 - Margin Valuation Adjustments (MVA)
 - "X" Valuation Adjustments (XVA)

5. Liquidity Risks & Balance Sheet

- I. Max Cumulative Outflow (MCO)
- II. Min Liquid Assets (MLA)
- III. Min Cash Balance (MCB)
- IV. Liquidity Coverage Ratio (LCR)
- V. Return on Weighted Assets (RWA)