Asia Knowledge

Treasury for HR

Dates : 20th, 21st of November, 2003
Venue : Hyatt Regency, Mumbai
Workshop Leader : Nic Weston, Australia

Course Outline:

8.30 am - Registration & Breakfast
9.00 am - Workshop commencement
10.30 am - Refreshments
12.30 pm - Lunch
1.30 pm - Afernoon Session
3.00 pm - Refreshments

Time might change according to the course requirement.

Module 1 - How the financial markets work

- Role of economics
- Market participants
- Price formation
- Developing and implementing a strategy
- Trading disciplines and skills
- Role of Market Associations, Codes of Conduct

Module 2 - Spot Foreign Exchange

Delegates receive a presentation on the spot market, price conventions, the role of brokers and currency position management. Four simulations confirm the presentation where the delegates are market makers and market takers initially with a placid price action. The level of market intensity, price action, news events, number of calls and price reliability increase with each simulation. In the last simulation, delegates will begin to trade with each other as well as with the simulation.

Module 3 - Managing a Money Book

The next two sessions look at money market instruments. Initially, delegates are exposed to market situations involving the price making and interest rate risk management of a deposit and loan portfolio. Stop loss, gearing, counterparty limits and overall trading limits are gradually restricted to promote more disciplined trading. The session will conclude with a simulation trading treasury bills.

Module 4 - Eurocurrency Futures

Delegates are introduced to the futures market. After an overall presentation of all major contract types, exchanges and futures market terminology, the next group of simulations introduces the uses of futures for hedging and trading. The delegates hedge the deposit and loan book created in Module 3 trying to stabilise their profit and loss in a variety of market situations and finally set a number of positions for curve, strip and spread trades.

Module 5 - Forward Rate Agreements

The next session looks at FRA's in a hedging context and as a trading tool. An existing balance sheet of 3 transactions is presented for the delegates to hedge. Performance is judged as a minimum fluctuation is profit and loss after 'jumping' through a simulated trading day. The simulation is then reset, and delegates place trading positions to maximise profit and loss.

Module 6 - Forward Foreign Exchange

To complete the currency markets overview, concepts developed in money markets are overlaid with spot foreign exchange and the delegates trade a forward foreign exchange book.

Module 7 - Fixed Interest (Bond) Markets

The major bond markets in the US and UK are examined with particular emphasis on issuer and investor motivation. Regional markets are also reviewed. The session concludes with a dealing simulation.

Module 8 - Interest Rate Swaps

The features and usage of interest and currency swaps is confirmed with a series of customer case studies followed by a trading simulation where a bond portfolio is hedged.