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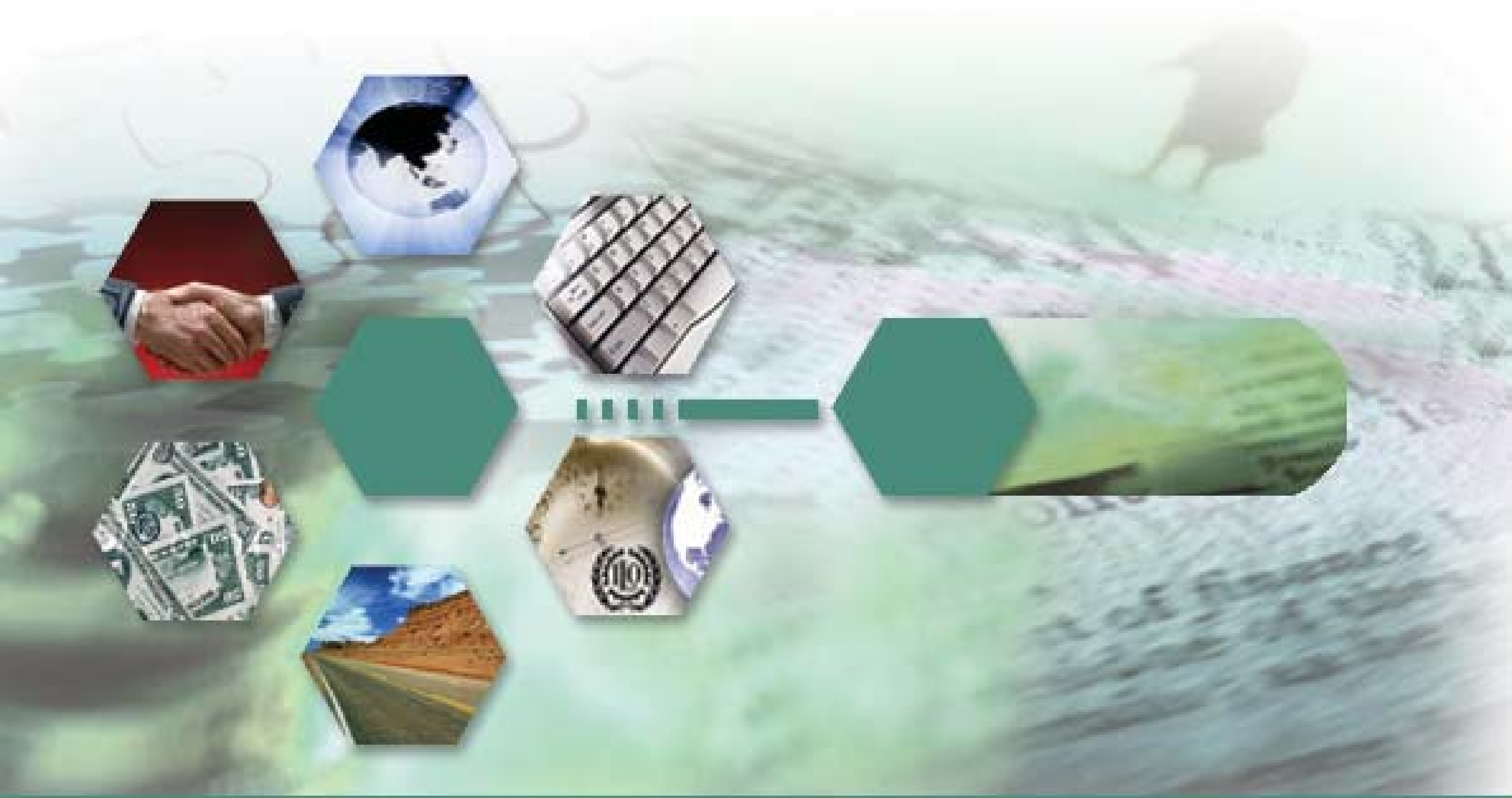
CTM - Interest Rate Risk Management

After completing this course you will be conversant with:

- Managing interest rate risk using derivative instruments
- Pricing and valuation of interest rate derivatives
- Building hedging strategies



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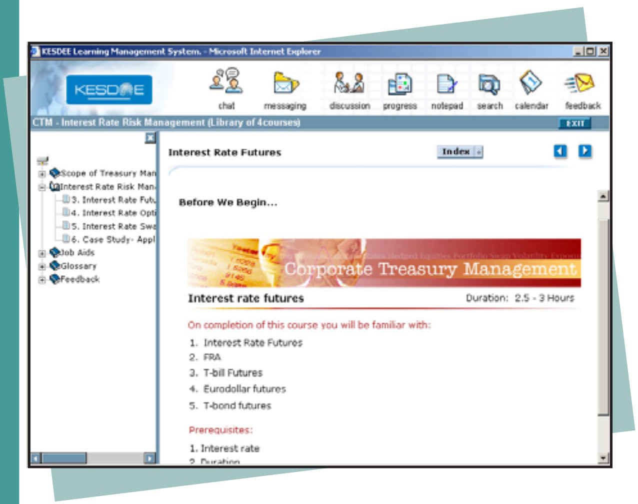
CTM - Interest Rate Risk Management



Overview

Financial markets have seen an enormous growth in fixed-income obligations, which in turn has increased volatility of interest rates. The management of interest rate risk using various derivative instruments (futures, swaps and options) forms the focus of this course. The mechanics and application of these instruments for hedging, arbitrage and speculation purposes are discussed. Caselets and simulation exercises facilitate better understanding of interest rate risk management.

Course Level & Number of Courses

Intermediate Level

Library of 6 Courses

Instructional Method

Dynamic, Interactive e-learning

Recommended Background

Familiarity with basic financial concepts

CTM - Interest Rate Risk Management

Library of 6 Courses

Time taken to complete each Course: Two - Three hours

1. Treasury Management – Scope and Importance

- What is Treasury Management?
- Structure of Treasury Management
- Functions of Treasurer and Controller

2. Overview of Risk Management

- Concept of Risk
- Risk Management Process
- Determination of Business Objectives
- Identification of Risks
- Measurement of Risk

3. Interest Rate Futures

- Interest Rate Futures
- Forward Rate Agreement (FRA)
- T-bill Futures
- Eurodollar futures
- T-bond futures

4. Interest Rate Options

- Interest Rate Options
- Over-the-Counter Options
- Calls and Puts on LIBOR
- Caps, Floors and Collars
- Exchange Traded Options
- Embedded Options

Library of 6 Courses

5. Interest Rate Swaps

- Interest Rate Swaps
- Basic Structure
- Price Quoting Conventions
- Pricing & Valuing Interest Rate Swaps
- Variants of Interest Rate Swap
- Swaption

6. Case Studies – Applications of Interest Rate Derivatives

JOB AIDS

- Measurement Tools
- Disclosures
- Scope and Structure of FX and Derivatives Markets
- Global Best Practices
- Policy Templates
- Regulations

CTM - Interest Rate Risk Management

Calculators in Interest Rate Risk Management - Treasury Management

1. American / European Quotes
2. Spot Cross Rates
3. Calculating Forward Rate
4. Forward Cross Rates
5. Pricing Currency Futures - Continuous Compounding
6. Pricing Currency Futures - Daily Basis
7. Valuation of Generic Currency Swaps
8. NPV of Currency Cash Flow in a Swap
9. Options strategies (Excel)
10. Operating Exposure
11. Current / Non-current Method
12. Monetary/Non-monetary Method
13. Temporal Method
14. Current Rate Method
15. Money Market Hedge
16. Forward Market Hedge
17. Break Forward
18. Range Forward
19. Participate Forward
20. Duration
21. Duration of Portfolio
22. Convexity
23. BPV of a Bond
24. BPV of a Portfolio
25. BPV of a Forward Rate Agreement
26. BPV of a Coupon Paying Bond
27. Yield Curve Interpolation
28. Calculation of FRA settlement
29. Pricing T-Bond futures contract
30. Options on Futures
31. Options on LIBOR
32. Swaptions
33. Pricing interest rate swap
34. Confidence Level for a given Standard Deviation
35. Standard Deviation for a given Confidence Level
36. VaR Moving from one Confidence Level to Another (required period and Confidence level)
37. VaR - Variance Covariance Method
38. Value at Risk for Different Weights
39. Calculation of discount and price -bill of exchange
40. Price of a Discount Instrument
41. Price of a Commercial Paper
42. Money Market yield / Cash Price of CD
43. Yield - Bill of Exchange
44. Portfolio Risk and Return (when covariance and returns of assets NOT given)
45. Portfolio Risk and Return (when covariance and returns of assets is given)

Target Audience

Every professional involved in the global financial services industry (as a provider, user, regulator or advisor of product/services, marketplace/exchange) would benefit from KESDEE's innovative solutions.

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4. Financial Mathematics	Library of 7 Courses
5. Global Banking Supervision	Library of 15 Courses
6. Capital Adequacy Planning (Basel I)	Library of 7 Courses
7. Basel II-University	Library of 63 Courses
8. Sarbanes-Oxley Act	Library of 12 courses
9. Futures & Forwards	Library of 7 Courses
10. Swaps	Library of 7 Courses
11. Options	Library of 10 Courses
12. Market Risk (Basic Level)	Library of 8 Courses
13. Market Risk (Intermediate Level)	Library of 8 Courses
14. Market Risk (Advanced Level)	Library of 4 Courses
15. Value at Risk	Library of 16 Courses
16. Credit Analysis	Library of 13 Courses
17. Credit Ratings	Library of 3 Courses
18. Counterparty Credit Risk	Library of 9 Courses
19. Credit Risk Modeling	Library of 6 Courses
20. Credit Derivatives	Library of 23 Courses
21. Operational Risk Management	Library of 21 Courses
22. Asset Securitization	Library of 28 Courses
23. Asset Liability Management for Insurance Companies	Library of 29 Courses
24. Anti-Money Laundering	Library of 6 Courses
25. Financial Privacy	Library of 6 Courses
26. Corporate Governance	Library of 9 Courses
27. Money Markets	Library of 9 Courses
28. Fixed Income Markets	Library of 17 Courses
29. Equity Markets	Library of 10 Courses
30. Foreign Exchange Markets	Library of 9 Courses
31. Foreign Exchange Management	Library of 7 Courses
32. Treasury Analytics	Library of 5 Courses
33. Interest Rate Risk Management	Library of 4 Courses
34. Funding and Investments	Library of 5 Courses
35. Implementation - Treasury Management	Library of 4 Courses
36. Case Studies - Treasury Management	Library of 5 Courses
37. Understanding Financial Statements	Library of 2 Courses
38. Budgeting	Library of 5 Courses
39. Management Accounting	Library of 7 Courses
40. Financial Accounting	Library of 9 Courses
41. Mutual Funds	Library of 11 Courses
42. ePRM Coach	Library of 68 Courses
43. eFRM Coach	Library of 61 Courses

Upcoming Products

KESDEE has the required technology platform to respond to clients training requirements in the financial industry. We offer several solutions, each developed with the guidance of creditable experts. Given below are few of the forthcoming products:

- Financial Planning
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- Bank Branch Management
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