NEW YORK INSTITUTE OF FINANCE

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# Risk Management Using Derivatives - Online

It is essential for financial managers to identify risks accurately and to use the right control techniques. This course begins by introducing the different types of risk, and explains how to use the risk cycle to recognize these risks and control them. The course then moves on to the different types of derivative techniques that can be used to manage risk, including FX risk, short- and long-dated domestic interest rate risk, long-dated foreign interest rate risk and equity risk. In the final lesson, participants are presented with several case studies that apply what they've learned about using derivatives to manage risk.
This is an asynchronous eLearning course that can be accessed 24/7 from any internet enabled computer. Subscription period for this course is 90 days.

## Available Session(s):

| | | |
|---|---|---|
| **Available Today** | Online | USD $349 |

Online
Instructor(s):[]

## Targeted Audience

Risk managers and assistants, trading assistants, financeprofessionals, auditors and controllers.

## Advance Preparation

No advance preparation required.

## Prerequisites

Derivative Instruments or equivalent level of knowledge

## Learning Objectives

Students will be able to:
· Identify the different categories of risk.
· Recognize how risks arise.
· Recognize the elements of the risk cycle
· Identify the different types of risk (translation, transaction, contingent, and external risks)

· Explain the Quantification, Policy, Implementation and Monitoring steps of the Risk Cycle
· Describe the benefits of internal hedging
· Recognize applications for forward foreign exchange contracts to manage FX risk
· Identify the use of non-deliverable forward foreign exchange contracts in the management of FX risk
· Recognize the use of currency options in the management of FX risk
· Identify the use of forward interest rate agreements (FRA's) to manage risk.
· Recognize exchange traded futures as they are used to manage risk.
· Recognize management of risk using interest rate options.
· Discuss the use of interest rate swaps in managing long-dated domestic interest rate risk.
· Recognize the use of swaptions in managing long-dated domestic interest rate risk.
· Recognize long-dated foreign interest rate risk exposure.
· Identify how to use a currency swap to manage long-dated foreign interest rate risk.
· Define equity risk and beta.
· Explain the role of stock index futures in managing equity risk.
· Apply derivative techniques to manage translation risk.
· Identify elements of transaction risk and how best to manage it using derivatives.
· Recognize strategies for managing contingent risk using derivatives.

## Follow-Up Courses

Derivative Instruments - Online
Forwards & Futures - Online
Options - Online
Swaps - Online
Market Risk Basics - Online

## Level: Basic

## CPE Credits: 7

## Instructional Method: Self-Study

## Detailed Outline

**Introduction to risk management**
· Understanding risk management
· How risks arise
· Risk categories

**Identifying risks**
· Understanding and implementing the risk
· Types of risk
· Defining and utilizing natural hedging

· End result: link to

**Managing foreign exchange risk using derivatives**
· Defining foreign exchange risk
· Applying derivative risk management techniques

**Managing short-dated domestic interest rate risk using derivatives**
· Defining short-dated domestic interest rate risk
· Applying derivative risk management techniques

**Managing long-dated domestic interest rate risk using derivatives**
· Defining long-dated domestic interest rate risk
· Applying derivative risk management techniques

**Managing long dated foreign interest rate risk using derivatives**
· Defining long-dated foreign interest rate risk
· Applying derivative risk management techniques

**Managing equity risk using derivatives**
· Defining equity risk
· Applying derivative risk management techniques

**Putting It all together**
· Translation risk case studies: asset/liability currency mismatch, asset/liability term mismatch
· Transaction risk case studies: sale of goods overseas, roll over of a company loan, short-term investment strategies
· Contingent risk case studies: contract to tender, unknown sales targets

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.