



Derivatives in Emerging Markets

Banks in the emerging markets are increasingly using derivatives products. An understanding of the types of derivatives being used and how close the banks are to meeting Basel II requirements is essential for any professional working with banks in emerging markets. The course focuses on the top emerging markets in Latin America, Eastern Europe, Southeast Asia, and Africa. Attention is also paid to the capacity of central banks in those countries to examine those players in their home countries.

Available Session(s):

No sessions currently available. Email customerservice@nyif.com to get the next available date.

Targeted Audience

Risk managers, country managers, emerging markets professionals, bankers, and analysts.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

A basic understanding of Derivatives

Learning Objectives

Students will be able to:

- Evaluate supervisory capacity in emerging markets financial sector
- Identify key differences in hedging needs between developed and emerging markets

- Identify the main instruments used in emerging markets
- Compare and contrast risks in the use of derivatives in emerging markets

Alumni Comments

"This course was very useful."

"The instructor's knowledge of Emerging Markets and derivatives was a strength of this course."

Follow-Up Courses

Accounting for Derivatives & Hedging

Credit Default Swaps: From Vanilla to Exotic

Level: Intermediate

CPE Credits: 14

Instructional Method: Group-Live

Detailed Outline

Day 1 - Emerging Market Banks and their Risks

Overview of Emerging Markets

Characteristics

- Overview
- Economics - Effects of Latin American, Asian and Russian crises
- Politics - Influence of recent elections and political changes on emerging market financial markets
- Technical
- Banking sector challenges

Supervisory and Regulatory Capacity in Emerging Markets

- Compliance vs. Risk based supervision approach at central banks
- Central banks' ability to examine banks in emerging markets
- Regulation of derivatives in emerging markets
- Foreign government and multilateral banks involvement with foreign central banks

Day 2 - Popular Derivatives and Strategies in Emerging Markets

Non-Deliverable Forwards

- Mechanics of non-deliverable forwards (NDFs)
- Relationship between NDFs and regular forwards

Credit Derivatives

- Mechanics of credit derivatives used in emerging markets
- Central bank challenges with credit derivatives

Options and Structured Products

- Mechanics of options and structured products used in emerging markets
- Central bank challenges with credit derivatives

Emerging Market Sovereigns and Multilateral Banks

- Countries and multilateral banks' use of derivatives in emerging markets

Emerging Markets and Basel II

- Readiness of emerging markets to comply with Basel II
- Implications of Basel II on choice of derivatives

Overview of Derivatives Use in Emerging Markets

- Size of derivatives markets in different emerging markets
- Financial, corporate, government, and multilateral actors in the emerging markets derivatives
- Regulators in the markets

Risks in derivatives use in emerging markets

- Credit
- Market
- Liquidity
- Legal
- Operations

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