



Foreign Exchange Markets - Online

Different foreign exchange products; their pricing and applications are comprehensively dealt with in this course group. Discussions include the foreign exchange market risks. All foreign exchange derivatives such as currency futures / swaps / options and second-generation forward contracts are explained. FX trading controls, as given in ACI code of conduct are dealt with. Real case studies are also incorporated. Pricing, structuring and application can be practiced with calculators/simulations.

This is an online self study course that can be globally accessed 24/7 from any internet enabled computer. Access is for 91 days. Certificates with earned credits will be awarded upon successful completion.

Targeted Audience

New FX traders and investors, foreign exchange staff in commercial banks, middle office, auditors, securities firms, insurance companies and corporations, analysts, and junior traders.

Advance Preparation

No advance preparation required.

Prerequisites

Familiarity with basic financial concepts

Learning Objectives

Students will be able to:

- . Understand Nuances of foreign exchange markets
- . Understand Foreign exchange derivative products
- . Understand Second-generation forward contracts

- . Understand FX trading controls

Follow-Up Courses

Corporate Treasury Management: Foreign Exchange Management - Online

Level: Basic

icb Credits: 5

icpas Credits: 6

Detailed Outline

Overview of Foreign Exchange Market

Topics covered include:

- . Meaning of Foreign Exchange
- . Market Size
- . Reasons to Trade FX
- . Market Timings
- . History
- . Market Participants
- . Dealing Methods

Duration: 1 hour

Spot Market

Topics covered include:

- . Spot Foreign Exchange Transactions
- . Structure of Spot Rates
- . Direct and Indirect Quotes
- . Bid-Offer Spread
- . Cross Rates

Duration: 1 hour

Forward Market

Topics covered include:

- . Outright Forward Transactions
- . Determination of Forward Rates
- . Forward Cross Rates
- . Short Dates

Duration: 1 hour

Determination of Exchange Rates

Topics covered include:

- . Interest Rate Parity
- . Purchasing Power Parity
- . The Fisher Effect
- . Balance of Payments Approach
- . Monetary Approach
- . Portfolio Balance Approach
- . Forecasting Exchange Rates

Duration: 1 hour

Currency Futures

Topics covered include:

- . Futures vs. Forward Contracts
- . Currency Futures Market
- . Futures Contract Specifications
- . Marking to Market
- . Futures Quotation
- . Pricing Currency Futures
- . Hedging with Currency Futures
- . Speculation with Currency Futures

Duration: 1 hour

Currency Options

Topics covered include:

- . Currency Options
- . Basic Option Strategies
- . Covered Strategies
- . Spread Strategies

Duration: 1.5 hours

Currency Swaps

In this module, you will learn about:

- . FX Swaps
- . Currency Swaps
- . Currency Swap vs. FX Swap
- . Quoting Conventions
- . Types of Swaps
- . Uses of Currency Swaps

Duration: 1 hour

Second Generation Forward Contracts

Topics covered include:

- . Second Generation Forwards
- . Range Forwards
- . Participating Forwards
- . Break Forwards
- . Forward Sale Agreement

Duration: 1 hour

FX Trading Controls

Topics covered include:

- . ACI Model Codes regulations

Duration: 2 hours

JOB AIDS

- . Measurement Tools
- . Disclosures
- . Scope and Structure of FX and Derivatives Markets
- . Global Best Practices

. Policy Templates

. Regulations

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