€TRAINING

Global Banking, Money Markets, FOREX, and Swaps

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Introduction

Understanding the current functional responsibilities of international banking and financial intermediation, as well as the short-term money markets, foreign exchange markets, and swap markets, is the main goal of this training event. It will look at a variety of current case studies involving money transfers and the different goods and services that assist financial intermediaries. The whole range of international banking and money markets will also be covered in this session, including benchmarks for "prime" [LIBOR] lending rates, overnight deposits, SWIFT wire transfers, national and regional monetary policies, and M1-M2-M3 L. Terminology, models, risk positions, hedging, and the influence of money on lending, borrowing, and short-term marketable securities globally will be the main topics of discussion.

Course Objectives

At the end of this course, participants will be able to:

- Analyze the short-term money-market holdings on assets and liabilities for any organization.
- Examine the risk exposure of FOREX trades in both cash and futures positions.
- Differentiate between M1, M2, M3, and L balances when constructing central bank monetary policy.
- Describe the procedure for using financial intermediaries to balance daily cash flow transactions.
- Create a scoring system to evaluate any company's immediate "returns on money"
- Analyze the benefits and drawbacks of utilizing put and call options on FOREX futures as a risk management tool.
- Describe the main differences between FOREX cash and futures markets and currency swaps.
- Establish a practical interest-rate swap plan for a company's short-term liabilities.
- Examine all varieties of short-term money market securities in relation to cash holdings and credit conditions.

Targeted Audience

- Anyone looking to expand their working knowledge about how global monetary policies impact cash flow cycles for both foreign receivables coming in and payables going out
- Anyone looking to improve the financial positioning of corporate/organizational short-term funds management for both global lines of credit and liquid marketable securities
- Senior Operational Executives who want to incorporate cash flow risk mitigation into the business model for all facets of the company's global operations
- Board Members who want to enhance their fiduciary capacity to manage and mitigate FOREX risk exposure in global partnerships, markets, and transactions
- Business Development executives who want broader valuation impacts for potential commercial opportunities in foreign industries and markets

Course Outline

Unit 1: The Contemporary Landscape of Global Banking

- Central Banks and Variations on Monetary Policies
- SWIFT and Related Electronic Funds Transfers

- Commercial Banking vs. Private Banking Clienteles and Funds Management Policies
- The Intentions and Impacts of Quantitative Easing [QE] on Borrowing and Lending Policies
- Foreign Trade Balances of Payments among Countries and Banking Intermediaries
- The Impact of LIBOR, U.S. Prime, and other Short-term Benchmark Interest Rates
- The Effects of Removing the Gold Standard in Backing Currency Valuations
- The Role and Risks Associated with Offshore Banking and Non-regulated Transactions

Unit 2: Foreign Exchange [FOREX] and Global Currency Valuations

- Purchasing Power Parity and FOREX Conversion Pricing
- Hedging Currency Risk Exposure with Long and Short Currency Futures Contracts
- The Use of Put and Call Options on Foreign Currency Risk Exposure Mitigation
- The Pound Sterling and Bank of England vs. Euros and European Central Bank Policies
- Country GDP, Interest Rates, and Relative Currency Fluctuations
- Pegged Currencies vs. Free-Market Supply and Demand Currencies
- The Role of Speculators, Hedgers, and Ultimate Long Positions in FOREX Markets
- New financially engineered Products and Contractual Cash Flow Structures

Unit 3: Global Money Markets

- Understanding M1 M2 M3 and L
- Bankers Acceptances [BAs] and Foreign Trade Credit Letters
- Repurchase Agreements [Repos] and Commercial Paper
- T-Bills and Deriving the Yield Curve: Implications for Global Interest Rates
- Certificates of Deposit and other Short-term Bank Instruments
- Fixed and Variable Bank Lines of Credit
- Global Money Centers for Short-term Financial Intermediation
- Cash Flow Management Strategies

Unit 4: New Banking Frontiers, Functions, and Cryptocurrencies

- The Design, Development, and Launch of Bitcoin
- Two-dozen Cryptocurrencies Follow the Bitcoin Lead
- Direct peer-to-peer Financial Transactions
- Dramatic Changes Coming in Global Banking Fees for Financial Intermediation
- Geographic Trade Blocs, Trade Pacts, and New Paradigms in Cash Flow Management
- Privacy Laws, Financial Disclosure, Collusion, Cartels, and Currency Innovations

Unit5: The Global Swap Markets

- History and Development of the Swap Market for Foreign Currency
- History and Development of the Swap Market for Interest Rate Exchanges
- Portfolio Approaches to Foreign Currency Management
- Fixed-for-Fixed, Fixed-for-Floating, and Floating-for-Floating Interest Rate Swaps
- Nominal Principal and Settlement Valuations
- Bid-Ask Pricing Spreads and Market Efficiency in the Swap Markets
- Minimizing Transaction Costs on Global Financial Intermediation