INTRODUCTION TO TREASURY MANAGEMENT
SIMULATION TRAINING@THE DEALING ROOM
Amplify Trading was founded in 2009 and has three core operations of business:

1. Proprietary trading across all major asset classes
2. Professional development using trading technology for live & simulation-based training
3. Market analysis and research for clients

Amplify Trading delivers training to the world’s leading global banks using its proprietary trading and simulation platforms.

The BIBF Dealing Room has a Live link to Amplify Trading’s dealing room in London.

Participants will be exposed to the Live trading activity of Amplify’s trading team.

CapitaWave provides truly dynamic educational simulation training platforms. CapitalWave’s instructors, consultants and management team have a wealth of financial knowledge and experience and have designed, developed and delivered training programmes globally to many of these leading capital market banks and financial institutions.

ICMA Centre

Part of Henley Business School, the practical application of finance theory is one of the ICMA Centre’s key advantages. This integration of theory with practice is achieved through the use of the Centre’s three state-of-the-art dealing rooms. With over 100 terminals, All equipped by Thomson Reuters, the terminals run the latest industry simulation software as well as the Centre’s own simulation software platforms; ICTrader and StockTrak.

The Cisi is the largest and most widely respected professional body for those who work in the securities and investment industry in the UK and in a growing number of major financial centres around the world. Formed in 1992 by London Stock Exchange practitioners, we now have more than 40,000 members in 110 countries.

Thomson Reuters is the world’s leading source of intelligent information for businesses and professionals, combining industry expertise with innovative technology to deliver critical information to leading decision makers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets.

SimArch was founded in 1999 and has developed simulations related to commercial banking businesses. The simulations model all key components of a commercial bank and its operating and regulatory environment. SimArch has conducted over 450 workshops in more than 40 countries.
The BIBF Dealing Room is a state of the art facility, the first of its kind in the MENA region, which powers technology-enabled learning by doing. The facility has over 20 trading stations, fully-equipped multimedia and market tools such as Bloomberg and Thomson Reuters Eikon.

In order to provide cutting-edge training expertise and technology, BIBF has partnered with specialist training and technology providers in the UK and US. Our partners have a successful track record of providing training to bulge-bracket global banks, including JPMorgan, Citigroup, HSBC, Morgan Stanley, Barclays Capital & Deutsche Bank.

A comprehensive range of courses are offered, covering subjects of interest to professionals in the financial sector across Treasury, Investments, Capital Markets and Risk Management.
INTRODUCTION TO TREASURY MANAGEMENT

This programme provides delegates with a solid understanding of how the financial markets work and the key products that are traded. It covers the major cash market products and explains their key features, together with how they are priced, and how they are traded and used by both institutions and customers.

WHAT YOU WILL LEARN

Individuals who attend will:
- Experience the pressure and excitement of trading and decision making through engaging simulations and trading games
- Become familiar with the key features and uses of the major cash products traded in global financial markets
- Learn what factors influence market prices
- Understand what motivates clients to deal

MAIN TOPICS COVERED IN THIS PROGRAMME

By the end of the programme delegates will be able to:
- Understand the terminology used and key features of the major products traded in the global financial markets
- Identify the key factors that influence market prices
- Appreciate how different market participants are motivated by different factors

WHO SHOULD ATTEND

This programme is designed to provide the knowledge and skills required to work successfully in the Treasury department or other departments that interact with Treasury. The target audience includes new hires, junior traders, risk managers and treasury operations and finance staff.

REAL MARKET NEWS TRADING GAME (RNTS)

Each day begins with a class discussion of the current news stories; this reinforces the need for delegates to become news aware. Delegates are then broken into small groups that need to take trading positions within stated position limits across 6 markets using real market prices. The positions are marked-to-market and groups are able to change their positions during each analysis session.

A leader-board ranks the team’s performances and the winning team is one with the highest profit at the end of the programme.

TRADING SIMULATIONS

Delegates will take part in a number of trading simulations using the Capital Market Simulator (CMS). These fast paced market simulations allow delegates to experience the high pressure of real trading and volatile markets in a tightly controlled environment.

Each delegate needs to manage their own positions, make prices and react to market news whilst trying to make money in an exciting and competitive environment. For many participants this is often their first exposure to trading and delegates find the experience highly engaging and enjoyable.
DAY 1: OVERVIEW OF FINANCIAL MARKETS AND SECTORS

Module 1: Introduction to the Financial Markets
The role of banking and banks in an economy
Overview of market structure
Key market participants
The role of government and the central bank
Bank structure and the role of the Treasury department
Factors that drive market prices

Module 2: How Financial Markets Work
The principle of demand and supply
Pricing risk versus return
Net Present Value
The concept of fair value
A market price and the role of price making
Price makers versus price takers
Price makers and the role of ‘flow’

Module 3: The Money Market
Money market overview
The money market desks function within an institution
The role of the money market
Money market participants
LIBOR and other interest rate benchmarks
Monetary policy and influences on interest rates
Bank funding and liquidity management
Current crisis in global money markets

Module 4: Money Market Products
Key money market products
Discounted versus interest bearing products
Yield to maturity versus discount basis
Loans and Deposits
Treasury bills
Commercial paper and CD’s
Secured versus unsecured lending
Calculating cash flows on money market securities

DAY 2: FIXED INCOME MARKETS

Module 1: Bond Market Maths
Overview of the capital markets
Key features of fixed income securities
Pricing interest bearing securities
Understanding day count conventions
Accrued interest
Duration and convexity
Calculating cash flows on fixed income securities

Module 2: Fixed Income Products and Markets
Bond market overview
Government bond markets
The US bond market
The government bond issuance processes
Strips, TIPS and agency bonds
The role of ratings in the bond markets
Sovereign bond ratings
Arbitrage using bond strips

Module 3: Corporate Bonds
Overview of corporate bonds
Corporate credit ratings
The corporate bond issuance process
Corporate bond variations
Eurobonds
Medium Term Notes
Covered bonds
Corporate credit spreads

Module 4: Repurchase Agreements
Introduction to Repurchase agreements
Different types of repo
Overview of the repo market
Repo applications
Credit risk, ‘haircuts’ and repo margins
Secured lending and the impact of the financial crisis
Calculating cash flows on repo transactions
### DAY 3: YIELD CURVES AND FOREIGN EXCHANGE

#### Module 1: The Yield Curve
- Introduction to yield curves
- Review of current major currency yield curves
- Understanding changes in yield curve shapes
- Implied forward rates
- Yield curve trading strategies
- Riding the yield curve
- Analysing yield curve trades

#### Module 2: Case Study: Fixed Income Portfolio
Working in groups delegates will analyse an interest bearing investment portfolio. Each group will need to develop and then present a proposal that suggests changes that could be made to the portfolio which will enhance its weighted average yield to maturity, whilst achieving its objectives for credit quality and duration.

This project tests delegate’s knowledge of bond pricing and their understanding of the risk versus return trade-offs with respect to maturity and credit risk that are encountered in the fixed income markets.

#### Module 3: Foreign Exchange
- Overview of the foreign exchange market
- Types of FX transactions
- Spot foreign exchange
- The mechanics of a spot quote
- Market participants and trade motivations
- Influences on FX rates
- Settlement processes and conventions
- FX trading simulation

#### Module 4: Foreign Exchange Forwards and Swaps
- Introduction to foreign exchange forwards and swaps
- Market terminology
- Covered interest arbitrage
- Forward and swap quotations
- Using forwards to manage FX risk
- Interest rate arbitrage
- Non-deliverable forwards
- Calculating FX forward prices

### DAY 4: MARKET TRADING AND TREASURY PROJECT

#### Module 1: Client FX Applications
- Types of foreign exchange risk
- Managing transaction risk
- Translation risk
- Financial versus economic risk
- Corporate hedging policies
- Managing FX risk

#### Module 2: Market Trading Strategies
- Market participants and trade motivations
- What is a hedge?
- Different trading and investing styles
- Developing a trade strategy
- Technical versus fundamental analysis
- The importance of ‘Plan B’
- Building a trade strategy

#### Module 3/4: Final Treasury Project
Delegates will be presented with a comprehensive interest rate and foreign exchange scenario and treasury portfolio of transactions and positions.

Each group will need to analyse the economic scenario presented in terms of its likely influence on interest rate and exchange rates and propose how each of the key desks (money market, fixed income and foreign exchange) should structure their positions to capitalise on this.
BIBF plays a vital role in the training and development of human capital in the Kingdom of Bahrain. Our commitment to excellence has strengthened our position as the top provider of quality education across all major business disciplines. We serve as a partner to numerous world-class institutions; delivering thought leadership, research and advisory, assessment and training solutions in the areas of Accounting and Finance, Academics, Executive development, Banking, Leadership and Management, Insurance, Islamic Finance and Information Technology; resulting in a complete business solution.

BIBF covers a wide spectrum of subject matter, with over 300 different courses offered to the financial and corporate market; tailor-made training solutions based on organisational requirements; specialised programmes taught by leading market specialists; and professional qualifications and degree programmes in partnership with major international organisations.

BIBF continues to exceed global benchmarks for many of the qualifications it offers with its affiliates.