



CENTRAL BANK OF EGYPT
Egyptian Banking Institute



The Financial
Markets Academy

ACI Dealing

Certificate

Course Description:

This intense training course thoroughly prepares the candidates for the ACI Dealing Certificate exam. Each training session consists of a short introduction about a core exam subject after which the candidates will be given the opportunity to test the acquired knowledge by answering questions that are comparable to those incorporated in the official exam. The trainers will thoroughly elaborate on every question by addressing every alternative, right or wrong. The course comes with a e-learning tool with, amongst others, over 500 practice questions and an exam simulator.

Course Objective:

Preparation for the ACI Dealing Certificate exam.

Target Audience:

- Front-office staff
- Risk Managers

Pre-Requisite:

Minimum on to two years of practical experience in financial markets.ss

Dealing Certificate Physical Classroom course – 5-day schedule

Day 1: Rates

- Settlement dates under different daycount conventions
- Coupon calculations
- Interest rates for broken periods
- Convert act/360 rates to 30/360 rates and vice versa
- Convert annual rates to semi-annual rates and vice versa
- Accumulation factors and discount factors (with single and compounded interest)
- Yield curves
- Forward yields
- Money market benchmarks
- Fixed-income securities

- Domestic bonds, euro bonds and foreign bonds
- Price-yield relationship
- Different types of bonds
- Modified duration
- CD, CP and T-Bills
- Initial proceeds, final proceeds, market price, holding period yield and trading result
- Convert a discount rate into a yield
- Repurchase agreements in regard to liquidity management and special repo
- Sell/buy back
- Securities lending and margin lending
- Islamic Banking

Day 2: FX 1

- FX quotations and spot calculations and FX market jargon
- Cross rates
- FX forwards
- Theoretical calculation of a FX forward rate given the spot rate and the two interest rates / Calculation of a FX forward rate given the spot rate and the swap points
- Forward cross rates
- The concept of a FX Swap and FX swap jargon
- Meaning of the left-hand side and of the right-hand side of an FX swap quote
- Points in favour or against you
- Offsetting an FX forward with a FX spot and a FX swap
- Rolling forward and backward of FX forwards
- O/n and t/n swaps
- Use of o/n swaps and t/n swaps in hedging FX transactions value today and value tomorrow
- FX rates for value today and value tomorrow
- Use of t/n swaps in rolling over FX spot positions
- Trading result of a FX trading position
- Forward forward swaps and offsetting transactions
- Determining settlement rates for forward forward swaps
- Covered and uncovered interest rate parity theorem

Day 3: FX 2 and Derivatives 1

- Swap points in the market versus theoretical swap points
- Creating synthetic loans and deposits via the swap
- Introduction to derivatives
- NDFs
- FX Benchmarks
- FRAs
- Money market futures
- Unrealized results and the margin system of a CCP
- Interest Rate Swaps and overnight index swaps
- Overnight index futures
- Basis swaps

Day 4: Derivatives 2

- Strategies with FRAs, MM futures and IRSs
- The relationship between FRA rates, money market futures prices and IRS rates
- Features and terminology of options
- Break-even prices
- The option premium, the Black-Scholes model
- The Greeks
- Delta position and delta hedging
- Synthetic Forwards, Straddles and Strangles
- Interest rate options: interest rate guarantees, caps and floors
- Trading results of strategies with caps and floors
- Precious Metals
- Precious metals fixings

Day 5: Financial Markets Environment / ALM and Risk

- Role of the key players in the real economy and in the financial markets
- Submarkets
- Pricing and efficient markets hypothesis

- Free market operations and interventions
- The role of the financial markets department
- Market making and exchange brokerage
- Different ways of concluding transactions
- Bilateral legal agreements and clearing via a CCP
- Division on duties within the financial markets department
- Different stages of a financial market's transaction
- Regulation (EMIR, MiFID, Dodd-Frank, MAR)
- SWIFT
- Banking risks, risks in the financial department and external risks
- General risk principles
- Overview of the Basel Accords
- Capital adequacy ratio and leverage ratio
- Principles for sound liquidity risk management
- Liquidity coverage ratio and net stable funding ratio
- Interest rate risk in the banking book
- Gap reports
- Funds transfer pricing
- General credit risk mitigating measures
- Credit default swaps
- Measures to mitigate settlement risk: netting and linked settlement
- Measures to mitigate pre-settlement risk: margining and contractual netting
- Alternative ways to report credit risk
- Positions and trading limits
- Sensitivity Indicators,
- VaR Analysis: historical VaR, variance-co-variance method and Monte Carlo analysis
- Expected shortfall and Stress Tests
- Capital treatment of market risk
- The importance of division of duties: Daiwa and Barings
- Operational risk
- Capital treatment of operational risk

About the trainer

Lex van der Wielen is a well-known trainer in his home country, the Netherlands, and the author of a number of text books in the area of the financial markets. Lex owns his own training company: The Financial Markets Academy and his own publishing company the Financial Markets Books. Lex focuses on courses about financial markets in general and is one of the leading suppliers of preparation courses for the ACI exams. His company offers courses for the ACI Dealing Certificate, the ACI Diploma and for the ACI Operations Certificate. Lex is also internationally active in such diverse countries as Singapore, Croatia, Luxemburg, and the United States as well as in some Arab countries like Egypt, Jordan and Palestine.

Before he started his own businesses, Lex worked at ABN AMRO on the Asset and Liability Management department and as a Corporate Dealer in the Financial Markets department. Later he became the Head of a Treasury Sales Desk at ING Bank. He also worked for the Dutch State Treasury Agency where he was responsible for setting up a Market Risk Management department. Apart from his own business, at present he is also a lecturer at the University of Amsterdam and at the Nijenrode Business University. His company has close relationships with the House of Training in Luxemburg/ATTF, Frankfurt School of Finance & Management (FS), and with the Financial Markets Association.

Lex teaches with great enthusiasm and he is dedicated to help his students to perform better by explaining even the most difficult concepts in a very comprehensible manner.

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One number to better serve you!

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