

# ACI Dealing Preparation Course

Investment & Treasury



**In-Class**



**48 hours**



**EGP 17,000**

## **Course Description:**

The ACI Dealing Certificate is a foundation program that allows candidates to acquire a working knowledge of the structure and operation of the major foreign exchange and money markets as well as their core products (cash, forwards and derivatives), and the basic skills required for competent participation, including the ability to apply the fundamental mathematics used in these markets. Candidates should also be able to apply The Model Code to their situation.

The ACI Dealing Certificate is the benchmark examination for treasury personnel and for those whose work requires an understanding of the working environment of the treasury department of their institutions.

The ACI Dealing Certificate is a precursor to the ACI Diploma. In addition to the topics outlined below, candidates will be expected to be up-to-date with the latest events and changes in the markets.

## **Target Audience:**

Asset Traders, Treasury Sales, Treasury Middle Office and Operations, Asset Managers, Market and liquidity Risks personnel, and Compliance Officers requiring a better understanding of the financial markets.

## **Course Objectives:**

- Understand and apply the principles of interest rate calculation
- Identify the cash money markets
- Understand the foreign exchange market, including exchange rate determination and the impact of currency fluctuations.
- Identify the fundamentals of forward contracts and , the mechanics of Forward Rate Agreements (FRAs), and use of money market futures and swaps
- Identify Options and its strategies
- Develop an understanding of asset-liability management principles and their importance for financial institutions
- Learn the fundamental principles of risk management in financial markets, including the identification, measurement, and mitigation of various types of financial risk (market risk, credit risk, operational risk, and liquidity risk)

## **Course Outline:**

- Basic Interest Rate Calculations
- Cash Money Markets
- Foreign Exchange
- Forward-forwards, FRAs and Money Market Futures & Swaps
- Options

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- Principles of Asset & Liability Management
- Principles of Risk

## **1. Basic Interest Rate Calculations**

- The principles of the time value of money.
- calculating short-term interest rates and yields, including forward-forward rates
- calculate payments and evaluate alternative short-term funding and investment opportunities

## **2. Cash Money Markets**

- The function of the money market
- The differences and similarities between the major types of cash money market instrument and how they satisfy the requirements of different types of borrower and lender.
- How each type of instrument is quoted, the quotation, value date, and maturity
- Payment conventions that apply and how to perform standard calculations using quoted prices.
- The greater inherent complexity of repo.

## **3. Foreign Exchange**

- Apply spot exchange rate quotations.
- Basic spot FX dealing terminology and the role of specialist types of intermediary.
- The principal risks in spot and forward FX transactions.
- calculate and apply forward FX rates, and understand how forward rates are quoted.
- the relationship between forward rates and interest rates.
- Time options.
- The mechanics of outright forwards, FX swaps and forward-forward FX swaps.
- The use of outright forwards in taking currency risk
- The use of FX swaps in rolling spot positions, hedging outright forwards, creating synthetic foreign currency assets and liabilities, and in covered interest arbitrage.
- A good working knowledge and understanding of the rationale for NDFs.
- Recognize and use quotes for precious metals,
- A basic understanding of the structure and operation of the international market in precious metals

## **4. Forward-forwards, FRAs and Money Market Futures & Swaps**

- The mechanics of and how to use money market interest rate derivatives to hedge interest rate risk.

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## **5.Options**

- The fundamentals of options.
- The principal classes and types, and understand the terminology and how they are quoted in the market
- How their value changes with the price of the underlying asset and the other principal factors determining the premium
- How the risk on an option is measured and how they are delta hedged.
- The basic option strategies and understand their purpose.

## **6.Principles of Asset & Liability Management**

- The fundamentals of Asset & Liability Management as a practice of managing and hedging risks that arise due to mismatches between the asset side and the liability side of the balance sheets of a bank.
- How main risk factors like funding and liquidity risk, market risk (FX, Interest Rate, Equity, Commodity, etc.), credit risk, leverage risk, business risk and operational risk are interrelated and how they affect the balance sheet of a financial institution.
- common risk management and hedging techniques which help control these effects and to understand how these techniques are used to set up a state-of-the-art ALM approach.

## **7.Principles of Risk**

- Why risk is inherent in banks business models and why effective risk management is a key driver for banks success.
- Major risk groups: credit, market, liquidity, operational, legal, regulatory, and reputation risk.
- The significance of risk groups for different banking businesses and units.
- Overview about methods and procedures needed to manage these risk types.
- Different risk/return profiles of shareholders, regulators and debt providers.

### **Assessment Strategy:**

No final evaluation is required, as the participants will be directly examined through ACI.

### **Course Language:**

English.

### **Prerequisites:**

None

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## **Instructor bio:**

**Mr. Ibrahim Barie** holds a B.Sc. degree in economics from Cairo University, and he is a banking and finance professional with a demonstrated history of working in the treasury sector. He has ten years of experience skilled in Securities valuation, Asset management, Treasury, Trading, and Asset & Liability Management. He holds Graduate Diploma in Banking from London School of Economics and MSc in Finance from University of York, UK. He has extensive experience of training from which he introduced Chartered Financial Analyst Program "CFA" at Misr International University "MIU", and he is adjunct Faculty at both American University in Cairo "AUC" and London School of Economics "LSE" international program at Arab Academy for Science and Technology. He is a certified instructor at Egyptian Banking Institute "EBI" for treasury courses and Credit Certificate program. He is now the Head of Fixed Income & Money Market at Arab Investment Bank and specializing in trading local and international fixed income securities.