



CENTRAL BANK OF EGYPT  
Egyptian Banking Institute

# Financial Market - Basic Course

## Investment and Treasury



14949-2



In-Class



24 hours

### Course Description:

This course provides fundamental knowledge of the financial market, focusing on interest rates, financial instruments, liquidity risks, and the yield curve. It aims to develop participants' understanding of how financial tools influence banking operations, monetary policy, risk management, and the valuation of financial instruments.

### Target Audience:

- Banking Operations & Account Management.
- Bank Supervision and Regulation Departments.
- Treasury and Financial Market Professionals.
- Risk Management and Compliance Officers.
- Professionals involved in Qatar's financial sector and monetary policy.
- Investment analysts and financial advisors.

### Course Objectives:

- Identify the structure and role of financial markets.
- Explain the concept of interest rates and their economic impact.
- Analyze different financial instruments used in financial markets.
- Clarify international standards for liquidity risk measurement.
- Identify the concept of the yield curve and its significance in financial markets.

### Course Outline

#### Module 1: Introduction to Financial Markets

- The definition and classification of financial markets.
- The role of financial institutions in economic stability.
- Primary vs. Secondary markets.
- The Money market vs. the capital market.
- Regulatory frameworks and international financial standards.

#### Module 2: Interest Rates and Monetary Policy

- The definition and types of interest rates (fixed, floating, nominal, real).
- The role of central banks in setting interest rates through (monetary policy tools).

- Factors influencing interest rates (inflation, GDP, exchange rates).
- Interest rate benchmarks (Corridor, SOFR, Euribor).

#### Module 3: Financial Instruments and Market Operations

- Money market instruments: Treasury bills, commercial paper, certificates of deposit.
- Capital market instruments: Bonds, stocks, derivatives.
- Repo and reverse repo agreements.
- Foreign exchange instruments: Currency swaps, forward contracts.
- Use of financial instruments in monetary policy.

#### Module 4: Liquidity Risk and Financial Stability

- Definition of liquidity risk and its types (funding vs. market liquidity risk).
- Liquidity risk measurement indicators (LCR, NSFR, cash flow gaps).
- Basel III liquidity requirements and supervisory review process.
- Strategies for liquidity management (stress testing, contingency planning).
- Liquidity crisis case studies (e.g., 2008 financial crisis, COVID-19 impact on liquidity).

#### Module 5: Yield Curve and Financial Instrument Valuation

- Definition of the yield curve and its types (normal, inverted, flat).
- How the yield curve reflects economic expectations and central bank policies.
- Yield curve and interest rate risk management.
- Impact of the yield curve on bond pricing and valuation.
- The relationship between the yield curve and liquidity risk.

### Assessment Strategy:

Participants will be informally assessed on their interaction during sessions and their participation in exercises.

### Course completion will grant participants:

2.0 CEUs.

### Course Language:

English.

### Prerequisites:

Intermediate level of English.