

MARKET RISK

Target Group:

- Treasury Management
- Risk Management executives involved with credit and operational risk
- Market Risk Management
- Accounting and finance
- Risk control and reporting
- Compliance management
- Basel II implementation team
- Operations management
- Relationship and marketing managers
- Middle and back office managers
- Legal support

■ Systems design and implementation

Duration: 1 day

Prerequisites: None

Objectives:

Organizations face market risk every day. Changes in foreign exchange rates, interest rates, stocks and commodity prices make organizations vulnerable to financial loss. As a result, uncertainty surrounds the future earnings, cash flows and the fair market values of assets and liabilities.

This course is designed to give a broad understanding of what is meant by "Market Risk" and how this applies to banking and finance. Throughout the course we will overview market risks and related financial product, explain measurement and management techniques for dealing with market risks and explain the market risks regulation by Basel II directive.

Capital is now calculated in relation to risk so that regulators and the supervisory authorities take a keen interest in assessing how organizations manage risks. Having fully understood this environment it is possible to answer directly:

- What is market risk and what methods and tools do we use to manage it?
- What is pricing and marking-to-market and how can illiquidity impact on a market?

Some case studies will be demonstrated and will take a look at some of the solutions, such as: creating a yield curve to give a constantly reliable benchmark, understanding the risks in options and look at VaR and how we apply it.

Contents:

Overview of market risk

- overview of markets and products (equity, interest rate, spread, FX, commodity)

Measuring market risk

- Positions

- Sensitivities
- Scenarios
- Value at Risk
- case study: example portfolio and its risk profile

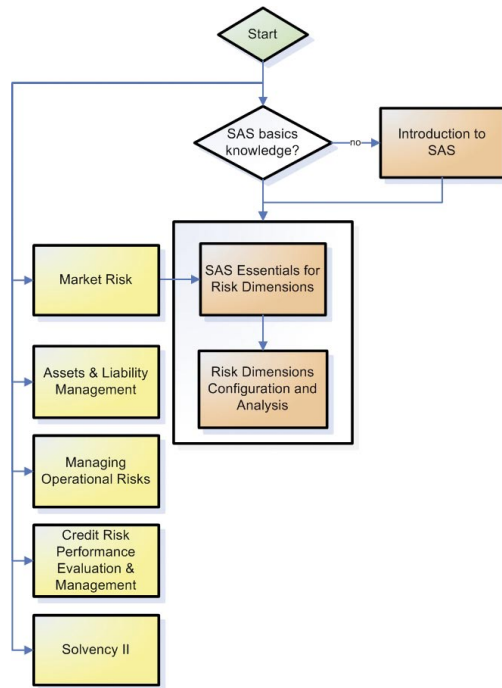
Managing market risk

- limits
- hedging and risk unbundling

Basel 2 and market risk

- standard approach
- internal models (VaR-based) and regulation (back testing, add-ons etc)
- case study: comparison of standard approach to internal models





Legend



Trainings		Duration	Code	Market Risk Analyst	Market Risk Business User	Credit Risk Analyst	Credit Risk Business User	Operational Risk Analyst	Operational Risk Business User	Insurance Analyst	Insurance Business User
Business	Assets & Liability Management improvement in Basel II implementation	1		•	•						
	Market Risks	1		•	•						
	Credit Risk Performance Evaluation and Management	1				•	•				
	Solvency II	1								•	•
	Managing Operational Risks	1						•	•		
Technology	SAS Essentials for Risk Dimensions (4.1)	2	INRD	•	•	•	•			•	•
	Risk Dimension Configuration and Analysis (4.1)	3	RDIM	•		•				•	
	Credit Scorecard Development and Implementation	2	CSDI								
	Basel II and Economic Capital Calculations Using SAS Credit Risk Management	2	RDCRD			•	•				
	SAS Credit Risk Management Solution overview (SAS Credit Risk 4.2 Internal)	3	CRISK42			•	•				
	Introduction to the SAS Operational Risk Product Offering (Internal)	2	OPRISKINT					•	•		
	Statistics I: Introduction to ANOVA, Regression and Logistic regression	3	STAT1			•					•
	Data Mining Primer: Overview of Applications and Methods	1	DMDM			•					•
	Applied Analytics Using SAS Enterprise Miner	3	AAEM			•					•
	Advanced Predictive Modeling Using SAS Enterprise Miner	2	PMADV			•					•
Using SAS Enterprise Miner for Scorecard Design	1	EMSDUK			•					•	



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